THE NEIGHBOURLY FOUNDATION

England & Wales · Charity number 1189514

Details

Status	Registered
Legal form	Charitable company
Company number	12541286
Registered	2020-05-15
Register	View on the Charity Commission register

Contact

Address	Engine Shed Station Approach Bristol BS1 6QH
Phone	01174220866
Email	foundation@neighbourly.com

Activities

Objects: THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT TO FURTHER ANY PURPOSE WHICH IS EXCLUSIVELY CHARITABLE UNDER THE LAW OF ENGLAND AND WALES (PROVIDED THAT THE CHARITY MAY NOT FURTHER ANY PURPOSES WHICH ARE NOT CHARITABLE IN ACCORDANCE WITH THE LAWS OF SCOTLAND AND NORTHERN IRELAND).

Activities: The Neighbourly Foundation was established on 31 March 2020 as a charity to advance general charitable purposes and operates to grant funds to other charitable organisations and projects. The Foundation operates nationwide.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Throughout England And Wales

Downloaded from opencharities.uk/ew/1189514

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,604,000	£6,944,000	£3,220,000	0
2024-03-31	£5,820,000	£5,428,000	£1,560,000	0
2023-03-31	£5,789,400	£5,402,664	£1,167,284	0
2022-03-31	£3,993,957	£3,784,836	£780,548	0
2021-03-31	£2,863,000	£2,292,000	£571,000	0

Trustees

Name	Role	Appointed
Steven Edward Butterworth	Chair	2020-03-31
Christopher Hugh Kelly		2020-03-31
Howard Henry Russell		2020-04-27
Nicholas Smailes		2020-04-27

Downloaded from opencharities.uk/ew/1189514

THE NEIGHBOURLY FOUNDATION

England & Wales - Charity number 1189514

Accounts

The Neighbourly Foundation

Trustees Report and Financial Statements

For the year ended 31 March 2025









Contents

About the Neighbourly Foundation....4
Report from the Chair of Trustees....5
Purpose and activities....6
Aims and objectives....8
Vision and strategy....10
2024-2025 highlights....12
Achievements and performance....14
Corporate partners....22
Trusts and Foundations....23
Charity partners....24
Our commitment to donors and supporters....25
Financial review 2024-25....26
Principal risks and uncertainties....28
Structure, governance and management....29
Our charity details....31
Statements of trustees responsibilities....32
Independent auditors report....33
Financial statements....36



About us

The Neighbourly Foundation (charity no. 1189514) is an independent foundation which collaborates closely with Neighbourly Limited, the impact-led giving platform that connects businesses and communities for social good. Neighbourly specialises in place-based connections between companies, local charities and communities, ensuring that support - in the form of volunteer hours, financial donations and surplus products - is channelled directly into the communities and neighbourhoods where it has the greatest impact.

The Foundation was established as a charity to advance general charitable purposes and operates to grant funds to other charitable organisations and projects. It was set up in response to the COVID pandemic in 2020 to provide easier access to funding for Neighbourly's network of good causes that support people in need and look after the health and wellbeing of communities across the UK & Ireland. The Foundation provides the route for corporate partners to ensure funds are delivered efficiently and at scale to pre-vetted local causes that deliver against specific social and environmental impact themes.

Report from the Chair of Trustees



On behalf of the Board of Trustees of the Neighbourly Foundation, I am proud to present the Neighbourly Foundation's Trustee Report for 2024-2025, reflecting another year of significant impact and unwavering commitment to strengthening communities across the UK.

In a period still marked by economic pressures and the ongoing cost-of-living crisis, the Foundation, alongside our incredible network of corporate partners and grassroots charities, has demonstrated continued resilience and effectiveness.

This year, we are pleased to report the distribution of over £6.9 million in vital funding and resources. This figure underscores the generosity of our corporate clients and the efficiency of our model in channeling support to where it is most needed. Collaborative initiatives like the Neighbourly Spring Fund provided immediate relief to individuals supported by 138 local charitable organisations, while the GoGive 2025 'Fund a Fridge' initiative allocated £65,000 to enhance chilled food storage for 130 charities, directly increasing access to fresh food for thousands of beneficiaries.

Beyond these flagship programmes, our diverse corporate partnerships have enabled a broad spectrum of support, from the B&Q Foundation's £1.5 million investment in homes and community spaces to the JD Foundation's £1.2 million dedicated to empowering young people. The collective efforts of our partners, through direct grants, matched giving and employee volunteering, have touched many lives, addressing critical needs in food insecurity, family support, financial inclusion and community wellbeing. I extend my gratitude to our corporate partners, whose vision and commitment make this work possible, and to the dedicated charities and community groups on the ground, whose tireless efforts are the true drivers of change.

As we look ahead, the Neighbourly Foundation remains steadfast in its mission to build stronger, more resilient communities for all.

Steve Butterworth
Chair of Trustees

£6.9m

This year, we are pleased to report the distribution of over £6.9 million in vital funding and resources.

Purpose and activities

The purpose of the Neighbourly Foundation is to support charities and good causes that improve the health and wellbeing of communities across the UK and Ireland.

The Foundation operates to provide grants to other charitable organisations, enabling our corporate partners to disburse both their own and their employee donations, and respond efficiently to critical need within local communities.

Corporate partners have the option to make donations on a donor-advised basis, to be deployed as part of an emergency response or via joint partner campaigns that align with the Foundation's current social and environmental impact themes.

The Foundation is registered with the Fundraising Regulator and the ICO. The Trustees award grants to not-for-profit organisations based in the UK & Ireland that are either registered with the relevant charity regulator for their region or carry out community activities that are recognised as charitable. The Foundation may also consider proposals from charities that are established outside the UK and non-charitable organisations that are established either in the UK or elsewhere.

100% of all money donated is disbursed to charity recipients. For donor-advised funds, the grant amounts are determined by the client. In the case of grants which are intended to be used for emergency aid or according to one of the Foundation's impact themes, funds are typically administered as micro-grants in the region of £500-£1,000 per charity applying, which allows the fund to minimise risk and extend impact.

Grants are made based on completion of an online application form, which minimises application time compared with traditional paper forms. Grant awards are made based on qualifiers against the grant terms, on either a first-come first-served basis, or based on donor-advised selection or employee nomination. All recipients are strictly vetted by Neighbourly Ltd prior to any award being made.





The type of activity undertaken includes funding projects that address key impact areas:

- Emergency need, e.g. cost-of-living crisis
- Community Investment and Integration
- Health & Wellbeing
- Skills for the Future
- Stewardship of the Environment
- Resource Circularity
- Waste Reduction/ GHG Emissions

The Neighbourly Foundation disburses funds generated through several different financial donation mechanisms:

- Grant Management Programmes
- Employee Match Giving
- In-Store Fundraising
- Online Donations
- Text-to-Give Donations



"Funds are typically administered as micro-grants in the region of £500-£1,000 per charity applying."

Aims and objectives

This report covers the fifth year of operations for the Foundation during which time its aims and objectives were focused on disbursing funds according to clients' donation management programmes and building the profile of the Foundation with corporate partners.

There remains an urgent need within communities for help and businesses continue to require a targeted response mechanism for supporting local good causes. The reporting period covers a challenging time for UK communities, with the cost-of-living crisis continuing creating significant pressure on the network of good causes we support.



Aims for the reporting period:

- Respond effectively to community need in relation to financial pressures and other societal inequalities
- Build the profile of Neighbourly's donation management services with existing and prospective clients

The criteria and measures used to assess success in this period include:

- Funds donated against impact themes set by the Foundation and donor businesses
- Number and geographical location of charities and causes supported
- Estimated number of end-beneficiaries
- Speed of fund allocation according to individual programme goals
- Project-specific criteria, for example meals provided or number of people in isolation supported
- Feedback from recipient charities and groups on the social and environmental impact created, including quantitative and qualitative measures
- Programme / client specific KPIs

Successfully demonstrating our ability to respond to urgent needs, act flexibly and responsibly in support of the charity network, and report back on key impact measures has so far enabled the Foundation to further its purposes by engaging with additional corporate partners that understand the importance and value of building strong communities.

Longer-term, the Foundation aims to:

- Continue to respond effectively to community need, utilising experience and feedback gained
- Use community insights to inform the direction of corporate programmes
- Extend its reach and impact, working with additional corporate partners
- Grow the beneficiary network of small charities and community causes
- Work with Neighbourly on technology developments to further streamline and optimise grant application processes and funding programmes









Vision and strategy

The vision of The Neighbourly Foundation is to improve the health and wellbeing of local communities and environments by encouraging and facilitating corporate community investment.

The Foundation is governed by the charity trustees who have a duty to apply the Foundation's assets to advance its objectives and have ultimate responsibility for all grantmaking decisions.

The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly provides resources to the Foundation free of charge to support its charitable activities. The relationship between the two organisations is one of association and collaboration.

The Neighbourly Foundation's key priorities are to support charities and community causes that are:

Working to alleviate hunger, for example by providing food provisions and emergency supplies and supporting those campaigning to eliminate the root causes of poverty and the need for charitable food provision

Supporting the health and wellbeing of individuals through programmes that reduce social isolation and deliver community cohesion, support with mental and physical health and improve access to healthy environments

Supporting elderly or vulnerable members of the community and those suffering economically, socially or from ill health as a result of poverty, cost-of-living crisis, global conflict or other macro forces

Improving environmental sustainability through the promotion and creation of green spaces, protection of natural habitats and local biodiversity, acceleration of a low carbon future and waste reduction programmes

Helping people to fulfil their potential and achieve aspirations through educational programmes and support to access jobs that provide financial independence



2024-2025 highlights

Financial impact

£6.9 million was distributed through diverse corporate partnerships and foundation funds, directly supporting thousands of grassroots community initiatives across the UK.

Cost-of-living response

In response to the ongoing cost-of-living crisis, the Neighbourly Spring Fund distributed £69,000, providing immediate aid to 138 charities that collectively support 69,500 individuals weekly.

Enhanced food aid capacity

The GoGive 2025 ‘Fund a Fridge’ initiative allocated £65,000 to 130 charities, enabling them to purchase chilled food storage.

Sainsbury’s distributed over £1.2 million in local grants to help alleviate food poverty.

Support for children and families

Our partnership with Lidl contributed over £600,000 to vital food-aid and young people initiatives, ensuring vulnerable children and families had access to crucial resources.

Homes & community space transformation

The B&Q Foundation alone distributed over £1.5 million, facilitating significant improvements in homes and community spaces nationwide.

Strengthened employee engagement

With partners including Cadent, B&Q, Certas Energy, Canada Life, Coca-Cola Europacific Partners, Gallagher, Heineken, Motability Operations, M&G, RSA (an Intact Company) and Stagecoach, we fostered employee engagement, with match giving and team volunteering activities collectively contributing over £480,000.

Empowering youth

The JD Foundation distributed over £1.2 million, directly supporting initiatives that empower young people through education and employment opportunities.

Community reach

Our efforts supported a diverse range of community needs, from financial inclusion and disability services to mental health and safety initiatives, ensuring targeted aid reached over 2,800 distinct charities and community causes.

Achievements and performance

Neighbourly-led campaign highlights

The Neighbourly Spring Fund 2024 was an initiative launched in March 2024 through the Neighbourly Foundation to provide immediate aid amidst the ongoing cost-of-living crisis, particularly as government-funded support was winding down. This fund, totalling £69,000, targeted community charities across the UK that provide essential provisions to families in need.

Microgrants of £500 were distributed from April to May 2024, supporting 138 distinct charities and causes including food banks, family and community centres, disability services, and poverty relief groups. The funding was predominantly used for vital items such as toiletries, food parcels, baby items, household essentials and clothing. Key partners Aldi and Motability Operations contributed to this fund.

The Neighbourly 'Fund a Fridge' initiative, launched in January 2025 as part of the wider GoGive Christmas/ winter campaign, addressed a critical need highlighted by a summer 2024 community survey: the demand for increased chilled storage among food aid charities. With 64% of charities saying they would benefit from additional cold storage and 76% having capacity to collect more surplus food, this fund provided £500 microgrants to 130 community charities across the UK for the purchase of fridges or freezers.

Supported by Aldi, M&S and Motability Operations, the fund distributed a total of £65,000 between January and April 2025, significantly boosting the storage capacity of food banks, community shops, primary schools and community centres. As part of the GoGive campaign, Certas Energy also donated £16,500 in microgrants for small charities to support their beneficiaries with winter essentials.



Corporate client financial donation programmes

Aldi continued its commitment to supporting families and children through two key initiatives. The Aldi Back-to-School Fund donated £19,500 to schools and nurseries focused on providing essentials to families in need, while the Aldi Half-Term Grants for Schools provided £3,500 to help schools purchase valuable resources.

"Families were extremely grateful for the support. It helped us to provide extra snacks for the children as the cost of food and supplies has increased. We are in a deprived area with many families who need some extra support."

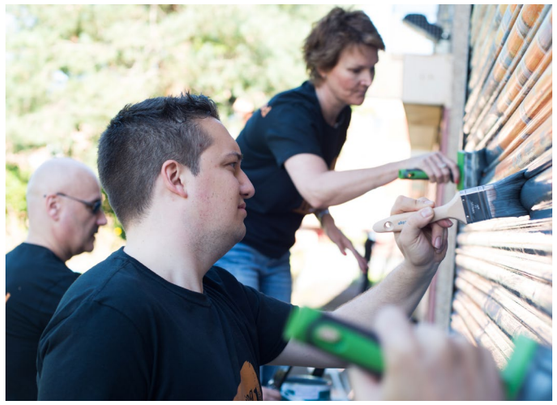
Bidbury Pre-School, Bedhampton

Cadent engaged employees in community support through its Match Giving and Team Volunteering initiatives, contributing a total of £12,930. The Match Giving programme, which saw £7,106 distributed, enabled colleagues to boost their fundraising efforts, whilst a total of £5,824 was given as donations to the organisations that Cadent employees volunteered for throughout the year.

"We're so grateful for the matched funding. It's allowed us to boost the fundraised pot and purchase an additional iPad for the children".

Defford Cum Besford First School Friends Association, Worcester







"The Gallagher Community Fund 2024 alone provided £194,000 in grants, whilst over £198,000 was distributed in employee match funding donations."

Canada Life expanded its community impact by providing £120,830 in financial support through various programmes, including Community Grants and the Financial Inclusion Fund. The Financial Inclusion Fund made £90,900 available for high-impact grassroots projects designed to advance financial inclusion for vulnerable groups. £35 per employee was also donated to a range of charities that Canada Life employees volunteered with throughout the year.

"These funds have supported our workshops which are designed to empower our participants with essential knowledge and practical skills for effective financial management".

True Ambassadors, London

Certas Energy's 'Hands in the Community - Making a Difference' programme demonstrated a strong commitment to local communities, with grants and donations totalling £48,150. Their Gulf Oomph Donations, where Gulf Service Stations are given £1,000 each to donate to a local good cause of their choice, contributed £28,000. Donations totalling £6,129 were also made through an employee engagement initiative to match funds raised by colleagues.

"The funding has helped us to complete work on our roof, making our studio safe and accessible again".

Gorleston Pavilion Trust Ltd, Great Yarmouth

Coca-Cola GB teamed up with Neighbourly for their Christmas 2023 campaign to donate funds to charities and community groups in the locations selected for their seasonal truck tour, with £15,000 of this paid out within the financial year 24/25. Donations totalling £30,996 were also made by Coca-Cola Europacific Partners to support their year-round volunteer events, with focus areas including social inclusion and environmental sustainability.

"We were very grateful for your generous grant, which enabled us to support many asylum seeker women who are in need of sanitary products in the Tyneside area. Your support not only addresses a critical need but also ensures dignity and comfort for those facing challenging circumstances".

Justice and Peace Refugee Project, Newcastle upon Tyne — Christmas Fund recipient

Gallagher increased its community contributions in 2024, with a total of £517,000 distributed through its Community Fund, Matched Giving, and Volunteering programmes. The Gallagher Community Fund 2024 alone provided £194,000 in grants, whilst over £198,000 was distributed in employee match funding donations. Through their 'Making A Difference Award' employees are given the opportunity to nominate a cause close to their heart to receive £25,000, with judges also selecting four runner-up finalists who each receive a £5,000 donation.

"We've been able to reach out to more vulnerable people in our community, as we were able to supplement the surplus food we receive with pantry food we were able to buy".

Village Centre Community Fridge & Kitchen, Egham

£120,830

Canada Life expanded its community impact by providing £120,830 in financial support through various programmes







Heineken

Heineken UK continued to empower its colleagues to support causes close to their hearts through their Colleague Match Giving and Volunteering programmes, contributing £3,540 in 2024. The Match Giving programme, which gives up to a maximum of £200 per individual application and up to £500 for team applications, saw £1,840 in donations.

"The funds were used towards the purchase of a new gazebo to replace one that was badly damaged by high winds. This has allowed us to continue with our fundraising efforts on which the Group's existence relies. We are extremely grateful for these additional funds".

2nd Cove Sea Scouts, Farnborough

Lidl's commitment to helping families affected by food insecurity remained strong in 2024. Their Community Fund distributed £350,500 to good causes partnered with Lidl which are helping to alleviate food poverty. The fund provides financial support for emergency food provision alongside grants to support larger, capacity-building initiatives. Their annual festive Toy Bank campaign also provided £121,900 in grants to campaign partners.

"The school put the money to good use by forming an initiative to feed every pupil breakfast. They were able to purchase industrial toasters and a warming cabinet and have enough left to fund a slice of toast for every child in school for a whole year! Children having breakfast enables them to learn and thrive, so we are thrilled to be able to put this into place for our whole school".

Quay Academy, Bridlington

"Without the generosity of our supporters it wouldn't be possible to help families when they need it most."

Cots for Tots, Bristol

£55,000

New Look's store fundraising efforts in 2024 generated over £55,000 to support local charities.

Motability Operations

Motability Operations supported a range of causes through its Corporate Charitable Giving, Employee Charity Nominations, Employee Matched Funding, and a partnership with BEN Charity, totalling over £150,000 in 2024.

"The match funding from Motability Operations was used to help fund family accommodation in our home from home, Cots for Tots House. Without the generosity of our supporters it wouldn't be possible to help families when they need it most".

Cots for Tots, Bristol

NEW LOOK

New Look's store fundraising efforts in 2024 generated over £55,000 to support local charities nominated by their stores and distribution centres.

"We are very grateful for the support from New Look and the funds they raised for the Skegness Food Bank. It comes at a time of increased pressure to meet the needs of the community in the local area. Thank you for helping us to make a difference".

Skegness Foodbank





RSA (an Intact Company) supported employees and their chosen communities through its Match Funding and Volunteering programmes, contributing a total of over £129,000 in 2024/25. RSA supports employees' fundraising efforts by matching pound-for-pound what they raise for UK registered charities and £25 per person was also donated as part of their volunteer activity.

"This funding will enable us to provide 3 freshly prepared meals daily for 23 patients. Nutrition is a crucial aspect of healing and care at the hospice. It's a privilege to be able to offer our patients delicious, nourishing and freshly prepared meals, especially when we can provide that one comfort dish to a patient who has lost their enjoyment of food due to illness."

Bolton Hospice

Sainsbury's continued its significant commitment to alleviating food poverty through its 'Good food for all of us community grants' campaign, distributing over £1,195,000. This fund enabled Sainsbury's and Argos stores, depots and support centres to nominate good causes for grants.

"This funding has been incredibly helpful and enabled us to buy essential food items to top up our pantry provision... without the funding from Sainsbury's, we would not have been able to maintain the high quality service that people have come to rely on".

Splott Community Volunteers, Cardiff

£1,195,000

Sainsbury's continued its significant commitment to alleviating food poverty through its 'Good food for all of us community grants' campaign, distributing over £1,195,000.

"Your grant, covering the cost of refreshments for our Wellbeing sessions, is a significant contribution and makes a difference in the lives of patients and their carers."

The Myton Hospices

Southern Co-op demonstrated a wide-ranging commitment to community wellbeing, nature and safety, distributing a total of £767,500 across various funds, including the Food Fund, Green Fund, Safer Business Fund, Wellbeing Fund, Wilder Fund and Winter Fund. The Safer Business Fund alone provided £200,000 to causes focusing on reducing crime rates.

"This grant has really blessed the work of our organisation, helping us to update our equipment, purchase more supplies and support some vital work needed on the building. Thank you so much to Co-op for this generous gift"

Share Shinfield, Reading

Stagecoach supported local communities through its Employee Matched Giving and Giving For Good Community Fund programmes, contributing over £27,000. The Giving For Good Community Fund provided £19,683 in grants directly impacting local causes.

"As a charity, needing to raise £12.7m this year to run our services, we are hugely dependent on voluntary donations. Your grant, covering the cost of refreshments for our Wellbeing sessions, is a significant contribution and makes a difference in the lives of patients and their carers. Thank you on behalf of The Myton Hospices."

The Myton Hospices







Corporate partners

We'd like to thank the Foundation's corporate partners for their contributions during this period. Due to their support and continued dedication to community investment, the Neighbourly Foundation was able to positively impact many thousands of charities and millions of individuals.

Companies and Foundations that donated to charities through the Neighbourly Foundation in this reporting period:

- Aldi
- B&Q Foundation
- Cadent
- Canada Life
- Certas Energy
- Coca-Cola Europacific Partners
- Coca-Cola GB
- Gallagher UK
- Heineken
- JD Foundation
- Lidl
- M&G
- M&S
- Motability Operations
- New Look
- Pret Foundation
- RSA, an Intact Company
- Sainsbury's
- Southern Co-op
- Stagecoach
- William Hill

Trusts and foundations

B&Q FOUNDATION

The B&Q Foundation continues its impactful work by providing grants to charities dedicated to improving homes and community spaces, distributing over £1,550,000 in grants in 2024/25.

"The funding to renovate the communal space at our emergency housing project has been instrumental to our project. What was standing as an unused space before was transformed into a thriving place where residents can get to know each other and participate in activities that help their mental health and wellbeing. This wouldn't have been possible without this funding."

Vineyard Compassion, Coleraine, Northern Ireland

JD FOUNDATION

The JD Foundation made a substantial impact on young people's lives, distributing over £1,288,000 in 2024/25 through various initiatives including their Charity Partners and Colleague Nomination schemes.

"JD Foundation funding has recently supported care leavers, asylum seekers and homeless young people into education or employment. Despite our initial engagement lasting over a month, one young person was desperate to continue and asked if she could start the course again. She has made new friends and developed her confidence."

Bolton Wanderers in the Community

The ★ PRET ★ Foundation
Registered Charity No. 1050195

The Pret Foundation's Community Grants Fund 2024 allocated £100,000 to support grassroots organisations in responding to food insecurity and equipping individuals at risk of homelessness with skills for re-entering the workplace.

"Having more fridge space has enabled us to stock more fresh meat and dairy products. We run 'fun with food' workshops in our coffee shop, to show our members and children that you can eat well on a budget."

Poole Waste Not Want Not

£1,288,000

The JD Foundation made a substantial impact on young people's lives, distributing over £1,288,000 in 2024/25.



Charity partners



Donations have been made to local good causes through the following programmes:

Programme	Good causes supported
Aldi	46
B&Q Foundation	202
Cadent	24
Canada Life	57
Certas Energy	55
Coca-Cola European Partners	23
Gallagher UK	462
Heineken	8
JD Foundation	165
Lidl	1,226
M&G	7
Motability Operations	30
New Look	140
Pret a Manger	51
RSA, an Intact Company	171
Sainsbury's	671
Southern Co-op	227
Stagecoach	48
William Hill	1
Neighbourly Partners funding	288

2,821

unique charities and community causes were supported across all programmes that help an average of 386 people* every week (*figure from Spring 2025 community survey)

1.09m

people supported weekly by the charities that have received donations from the Foundation.

Key Sustainable Development Goals supported by The Foundation:

Sustainable Development Goal	% by SDG	Total (£)
Good health and wellbeing	43%	2,896,719
Zero hunger	15%	993,998
No poverty	15%	991,986
Reduced inequalities	11%	729,782
Quality education	4%	239,028
Sustainable cities and communities	3%	233,580
Life on Land	3%	188,422
Gender equality	3%	187,730
Peace, justice and strong institutions	1%	82,730
Decent work and economic growth	1%	57,500
Climate action	1%	37,611
Other SDGs (under 1% each)	2%	104,277
Grand total	**100%**	**6,743,368**

Our commitment to donors and supporters

We are grateful for the generosity of our donors and supporters and we commit to:

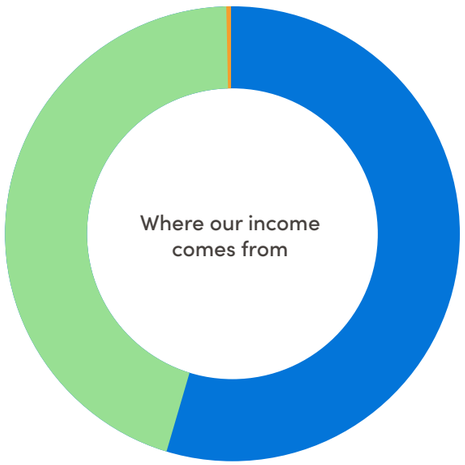
- Safeguard personal details and abide by data protection laws
- Work closely with the Foundation's charity and community cause network to ensure that donations are used for the purpose for which they are given
- Distribute donations to achieve maximum impact according to the aims of the funding
- Provide impact reports on the social and environmental benefits of the donations
- Be open and transparent about vetting and distribution processes and procedures
- Encourage feedback and foster close relationships
- Provide the services of a dedicated support team

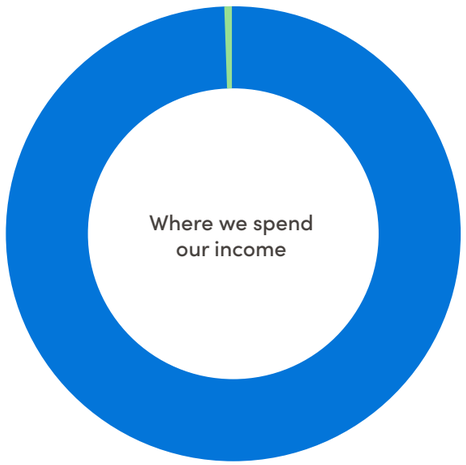


Financial review 2024-2025

During this reporting period the Neighbourly Foundation received £8.5m of restricted funding and donated £6.9m in grants to charitable organisations.







All of our income has come from charitable donations, either from the Foundation's corporate partners, trusts and foundations, individual donors or Neighbourly Ltd. All donations are tre ated as restricted with the exception of Neighbourly Ltd, whose donation is to support running costs of the charity.

The donations are split across the categories as follows:

- Corporate Donations: £4,809,891 (56.1%)
- Trusts and Foundations: £3,752,281 (43.7%)
- Individual donations: £30 (0%)
- Neighbourly Ltd: £18,750 (0.2%)

Our sole activity is granting funds to other charitable organisations and projects, therefore this accounts for 99% of our spend. Any administrative costs, for example audit fees, insurance etc, are covered by donations from Neighbourly Ltd.

Expenditure is split as follows:

- Grants to charitable organisations and projects: £6,916,231 (99.6%)
- Administrative costs: £27,005 (0.4%)

Reserves

The majority of cash at bank is restricted with only a small balance being unrestricted. Grants are then made to charitable organisations from balances held on behalf of corporate and other donors. Unrestricted funds are held to cover the running costs of the charity including, for example, audit fees and insurance.

Under the Strategic Partnership Agreement with Neighbourly Ltd, all resources to enable the charity to operate e.g. access to the Neighbourly platform and staff costs, are provided free of charge. The trustees have concluded that it is necessary to maintain only minimal reserves to cover the running costs of The Neighbourly Foundation and at any time sufficient reserves are held to cover three months of committed expenditure.

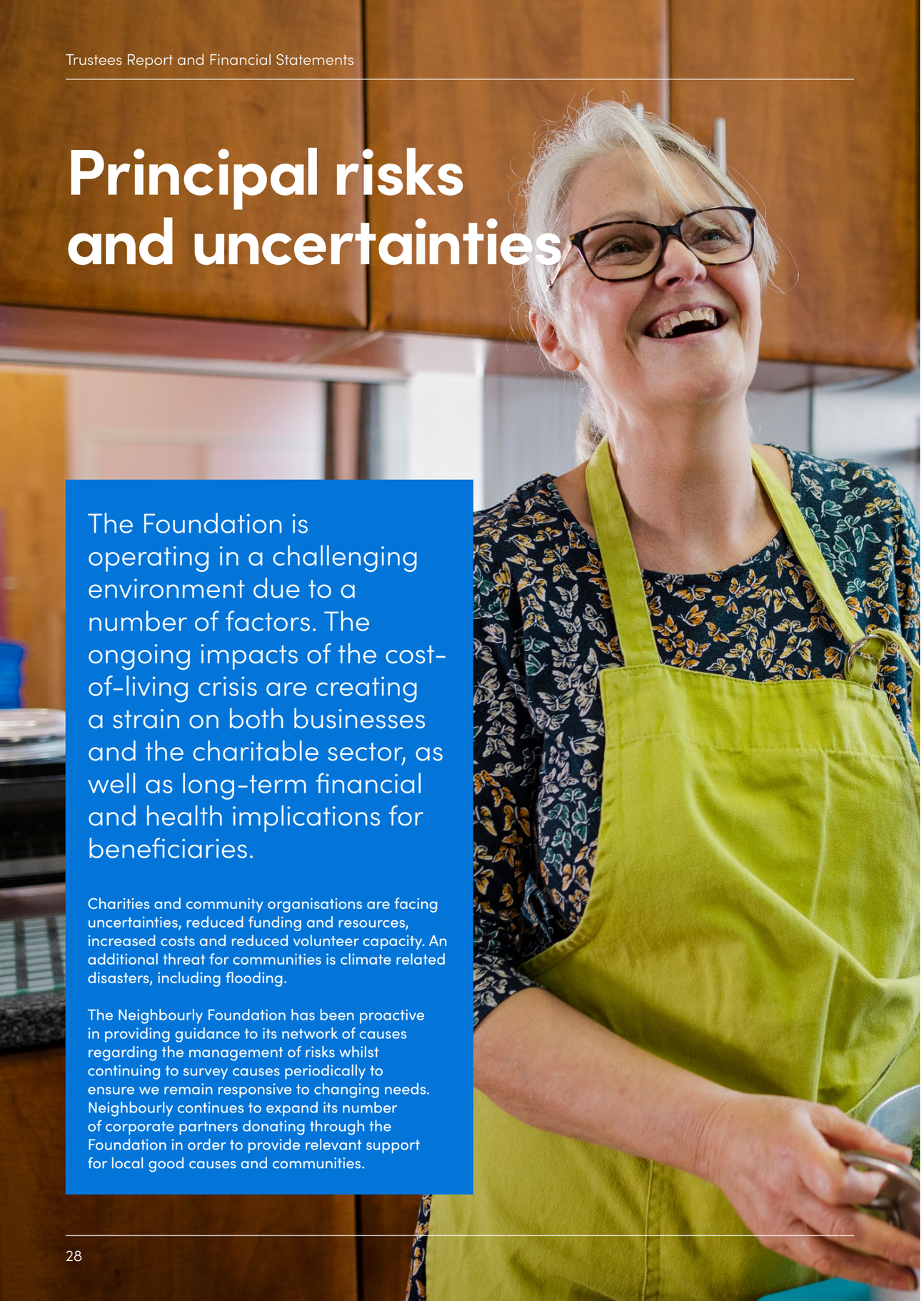
At the period end the charity had total reserves of £3,220k with restricted reserves of £3,182k and unrestricted reserves of £38k. The restricted reserves are not available for general purposes of the charity and are to be donated to other charitable organisations in the next period.

Going concern

The trustees have a reasonable expectation that The Neighbourly Foundation has adequate resources through its partnership with Neighbourly Ltd to continue to operate for the foreseeable future. Hence the annual financial statements have been prepared on the going concern basis. Please refer to the Notes to the Financial Statements for further detail.

At the period end the charity had total reserves of £3,220k with restricted reserves of £3,182k and unrestricted reserves of £38k.

Principal risks and uncertainties



The Foundation is operating in a challenging environment due to a number of factors. The ongoing impacts of the cost-of-living crisis are creating a strain on both businesses and the charitable sector, as well as long-term financial and health implications for beneficiaries.

Charities and community organisations are facing uncertainties, reduced funding and resources, increased costs and reduced volunteer capacity. An additional threat for communities is climate related disasters, including flooding.

The Neighbourly Foundation has been proactive in providing guidance to its network of causes regarding the management of risks whilst continuing to survey causes periodically to ensure we remain responsive to changing needs. Neighbourly continues to expand its number of corporate partners donating through the Foundation in order to provide relevant support for local good causes and communities.

Structure, governance and management

The Neighbourly Foundation is a company limited by guarantee (12541286) (England and Wales) incorporated 31 March 2020 and is registered with the Charity Commission as a charity (1189514). It is governed by its Memorandum and Articles of Association adopted on the same date.

Objects

The Objects of the Foundation are as set out in the Memorandum and Articles of Association. The Foundation has been established to advance general charitable purposes for the public benefit and will operate principally by granting funds to charitable organisations and projects which are charitable under the law of England and Wales (provided that the Charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).



Organisation

The charity was established on 31 March 2020 as a company limited by guarantee, with Neighbourly Ltd as its sole member. Further to a Special Resolution of 26 February 2021 the membership was transferred from Neighbourly Ltd to Howard Russell one of its Trustees, and further to a Resolution of 13 September 2021, to all Trustees from time to time. The liability of each member under the guarantee is £1.

The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly has agreed to provide Resources to the Foundation free of charge for the Foundation to pursue its charitable purposes. The relationship between the two organisations is one of association and collaboration and not one involving direction or control. Neighbourly Ltd recognises and understands that the Trustees have responsibility for governing the Foundation and does not interfere in the day to day running of the Foundation. Neighbourly does not act in any way that prejudices the independent decision-making of the Trustees or which inhibits the Trustees' ability to fulfil their charity law duties.

The Articles contain a conflict of interest provision to ensure that Neighbourly Connected Directors cannot participate in any decision making that the Trustees recognised as Independent Directors consider relates to the relationship between the Neighbourly Foundation and Neighbourly.

Board meetings are held quarterly, some of which during the reporting period have been held remotely.



Related parties

Steve Butterworth acts as the Chair of the charity and is also the CEO of Neighbourly Ltd. Chris Kelly is non-executive Director of Neighbourly Ltd. Both own shares in that company.

Remuneration

None of our trustees receive remuneration or other benefit from their work with the charity.

Recruitment of Trustees

The charity ended the year with four Trustees supporting the charity. As the charity grows it will aim to recruit additional trustees who have the skills the charity needs to develop. It values the benefits of having members with different backgrounds, expertise and experience.

Trustee induction and training

All new trustees undertake an induction programme, which includes visiting our partner Neighbourly, understanding the roles and duties of the trustees, company and charity law and governance, and financial and risk management.

Risk management

The trustees are cognisant of the reliance that the Foundation has on its partnership with Neighbourly. The trustees regularly seek assurances that that support remains in place and will do so for the foreseeable future.

Public Benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities. The Neighbourly Foundation's focus on crisis recovery, community health and wellbeing, skills development and environmental stewardship, working in partnership with local charities and community groups, will have a direct and positive benefit on individuals that are isolated, marginalised or vulnerable and those living in deprived neighbourhoods.

Fundraising Standards

The Trustees are aware of current legislation and updated guidance from the Charity Commission. We are a fully contributing member to the Fundraising Regulator and follow best practice in our fundraising. We are compliant with the regulation where it applies to us. We do not contract with third party fundraising organisations.



Steve Butterworth (Chair)
6 November 2025

Our charity details

Charity name
The Neighbourly Foundation

Registered charity number
1189514 (England and Wales)

Registered company number
12541286 (England and Wales)

Trustees and Directors
Steve Butterworth
(Chair of Trustees)
Chris Kelly
Howard Russell
Nicholas Smailes

Registered office
Engine Shed, Station Approach,
Redcliffe, Bristol BS1 6QH

Bankers
Lloyds Bank, 3rd Floor,
25 Gresham Street,
London, EC2V 7HN

Legal advisers
Bates Wells,
100 Queen Street Place,
London, EC4R 1BE

Auditors
Bishop Fleming Audit Limited,
Chartered Accountants,
Statutory Auditors,
10 Temple Back,
Bristol, BS1 6FL

Statements of trustees responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;



- State whether applicable UK accounting standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and to 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 the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Steve Butterworth, Chair of Trustees
6 November 2025

Independent auditors report

Opinion

We have audited the financial statements of The Neighbourly Foundation (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion 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 for the financial period for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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 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; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and Trustees in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Charity. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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

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

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 Auditors' 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 trustees for our audit work, for this report, or for the opinions we have formed.

David Butler FCA DChA
(Senior statutory auditor)

for and on behalf of
Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL



6 November 2025



Financial statements

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31 March 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.



Statement of financial activities for the year ended 31 March 2025

(incorporating income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	2025 Total funds £'000	2024 Total funds £'000
Income from:					
Donations and legacies	4	19	8,562	8,581	5,807
Other income	5	23	-	23	13
Total income		**42**	**8,562**	**8,604**	**5,820**
Expenditure on:					
Charitable activities	7	28	6,916	6,944	5,428
Total expenditure		**28**	**6,916**	**6,944**	**5,428**
Net movement in funds		14	1,646	1,660	392
Reconciliation of funds:					
Total funds brought forward		24	1,536	1,560	1,168
Net movement in funds		14	1,646	1,660	392
Total funds carried forward		**38**	**3,182**	**3,220**	**1,560**

The Statement of Financial Activities includes all gains and losses recognised in the period.
The notes on pages 40 to 47 form part of these financial statements.



Balance sheet at 31 March 2025

	Notes	2025 £'000	2024 £'000
Current assets			
Debtors	12	1,212	219
Cash at bank		2,024	1,354
Total		**3,236**	**1,573**
Creditors			
Amounts falling due within one year	13	(16)	(13)
Net current assets		3,220	1,560
Total net assets		**3,220**	**1,560**
Charity funds			
Restricted funds	14	3,182	1,536
Unrestricted funds	14	38	24
Total funds		**3,220**	**1,560**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Steve Butterworth
Chair of Trustees
Date: 6 November 2025

The notes on pages 40 to 47 form part of these financial statements.



Statement of Cash Flows for the year ended 31 March 2024

	2025 £'000	2024 £'000
Cash flows from operating activities:		
Net cash used in operating activities	670	449
Change in cash and cash equivalents in the reporting period	**670**	**449**
Cash and cash equivalents at the beginning of the period	1,354	905
Cash and cash equivalents at the end of the period	**2,024**	**1,354**



Notes to the financial statements

1. General Information

The Neighbourly Foundation is a charitable company limited by guarantee and not having a share capital, registered in England and Wales. The registered office is Engine Shed, Station Approach, Bristol, BS1 6QH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), and the Companies Act 2006.

The Neighbourly Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The accounts have been prepared on a going concern basis which assumes that sufficient working capital will be available for operational requirements.
To conclude on this basis the trustees reviewed the cash flow forecast to December 2026. As ongoing funding from Neighbourly Ltd is also key in our considerations, the budget and cash flow forecasts of the company were also reviewed. The directors of Neighbourly Ltd prepare rolling cash forecasts for a period of at least 12 months from the date of approval of the financial statements which indicate that the company will have sufficient funds to meet its liabilities as they fall due for the period. The directors have recently re-structured the company and continue to monitor expenditure closely. No material uncertainties were identified.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 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 which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

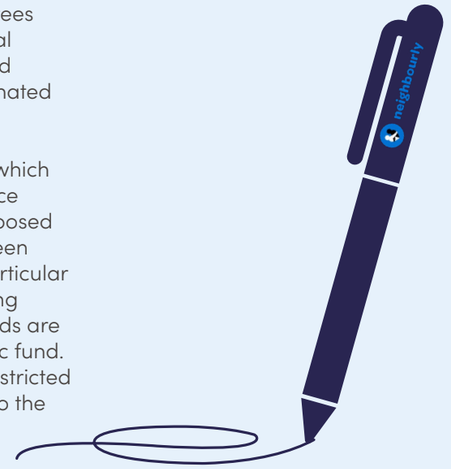
Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under thecircumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

There are no significant areas in the financial statements where material estimates or assumptions have been made.



4. Income from donations and legacies

	2025 £'000	2024 £'000
Restricted — Donations	8,562	5,788
Unrestricted — Donations	19	19
Total	**8,581**	**5,807**

5. Investment income

	2025 £'000	2024 £'000
Investment income - Unrestricted	**23**	**13**

6. Analysis of grants

	2025 £'000	2024 £'000
Grants to Institutions	**6,916**	**5,410**

The Neighbourly Foundation provides micro-grants to support good causes in line with its charitable objectives. Further analysis can be found under the 'Charity Partners' heading earlier in this report.

7. Analysis of expenditure on charitable activities

Summary by fund type

	2025 £'000	2024 £'000
Unrestricted funds	28	18
Restricted funds	6,916	5,410
Total	**6,944**	**5,428**

8. Allocation of support costs

Support costs of £28,000 are allocated to charitable activities. These costs include Marketing costs (£1,270), audit and accountancy fees (£19,890), bank fees (£2,130), legal fees (£530) and insurance (£2,790) and other costs (£1,700).. All other support costs are borne directly by Neighbourly Limited and are not recharged to The Neighbourly Foundation as it is not possible for the allocation to be accurately determined.

9. Auditors' remuneration

	2025 £'000	2024 £'000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,500	11,050
Fees payable to the Charity's auditor in respect of: Preparation of the statutory accounts	2,350	2,250

10. Staff costs

Staff costs are borne wholly by Neighbourly Limited and not recharged to The Neighbourly Foundation.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

12. Debtors

	2025 £'000	2024 £'000
Due within one year		
Trade debtors	1,205	204
Amounts owed by participating interests	-	10
Prepayments and accrued income	7	5
Total	**1,212**	**219**

13. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Accruals and deferred income	16	13
Total	**16**	**13**

14. Statement of funds

Statement of funds (current year)	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2025 £'000
Unrestricted funds					
Income from participating interests	24	42	(28)	-	38
Restricted funds					
B&Q	64	1,917	(1,571)	-	410
Cadent	14	78	(20)	-	72
Lidl	254	504	(603)	-	155
RSA, an Intact Company	100	150	(132)	-	118
Sainsbury's	287	2,178	(1,222)	-	1,243
Southern Co-op	229	571	(774)	-	26
Aldi	41	28	(23)	(43)	3
Gallagher	48	650	(517)	-	181
Certas Energy	29	112	(86)	-	55
Coca-cola Europacific Partners	65	30	(47)	-	48
Canada Life	16	121	(122)	-	15
NatWest/RBS	3	-	(3)	-	-
The JD Foundation	304	1,735	(1,305)	-	734
Stagecoach	25	15	28	-	12
Motability Operations	-	199	(151)	(6)	42
The Pret Foundation	-	100	(100)	-	-
New Look	-	68	(55)	-	13
Good health & well-being	23	11	(12)	-	22
Volunteering support	3	5	(1)	-	7
Community fund	31	90	(144)	49	26
	1,536	8,562	(6,916)	-	3,182
Total of funds	**1,560**	**8,604**	**(6,944)**	**-**	**3,220**

Statement of funds (prior year)	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2024 £'000
Unrestricted funds					
Income from participating interests	10	32	(18)	-	24
Restricted funds					
B&Q	45	1,835	(1,816)	-	64
Cadent	26	53	(65)	-	14
Lidl	376	673	(795)	-	254
RSA, an Intact Company	65	120	(84)	-	100
Sainsbury's	244	1,169	(1,126)	-	287
Southern Co-op	33	584	(388)	-	229
Aldi	67	11	(37)	-	41
Gallagher	114	347	(413)	-	48
Certas Energy	74	96	(141)	-	29
Coca-cola Europacific Partners	43	130	(108)	-	65
Canada Life	-	58	(42)	-	16
NatWest/RBS	-	150	(147)	-	3
The JD Foundation	-	500	(196)	-	304
Stagecoach	-	25	-	-	25
Good health & well-being	31	10	(17)	(1)	23
Climate Change	11	-	-	(11)	-
Volunteering support	4	8	(9)	-	3
Community fund	-	17	-	12	29
Community fund - Warm Communities	26	2	(26)	-	2
	1,158	5,788	(5,410)	-	1,536
Total of funds	**1,168**	**5,820**	**(5,428)**	**-**	**1,560**

B&Q: These funds were allocated to support projects that are improving, maintaining or providing homes and places to make people feel comfortable, safe and welcome.

Cadent: These funds were donated to charities and community groups through Cadent's employee-led matched giving initiative and volunteering programmes.

Lidl: This community fund is a quarterly recurring fund made available to good causes partnered with Lidl which are helping to alleviate food poverty.

RSA, an Intact Company: These funds were donated to charities and community groups through RSA's employee-led matched giving initiative and volunteering programmes.

Sainsbury's: These funds were donated to store-nominated charities, CICs and community groups that help people to access food, and/or help lift people out of food poverty.

Southern Co-op: These funds were allocated to good causes located across the South of England through various campaigns including their Food Fund, Green Fund, Safer Business Fund, Wellbeing Fund, Wilder Fund and Winter Fund.

Aldi: These funds were allocated to charities and community groups partnered with an Aldi store for food surplus and that support families and children with access to food and daily essentials.

Gallagher: These funds were paid out to charities and community organisations through Gallgher's employee-nominated community fund, volunteering and match giving programmes.

Certas Energy: Funding was open to registered charities to apply for grants as part of their 'Making a Difference' campaign.

Coca-Cola Europacific Partners & Coca-Cola GB: These funds were donated as part of a Christmas campaign and volunteer events to support projects focusing on carbon reduction, environment and water conservation, litter and recycling.

Canada Life: Grants were provided to charities or community organisations nominated by Canada Life colleagues as part of their Community Grants initiative, Financial Inclusion Fund and volunteering programme.

Natwest/RBS: The fund was aimed at supporting causes who are making positive changes to the environment across Scotland.

JD Foundation: This fund is part of the JD Foundation grants and colleague charity nomination programme, with a focus on supporting women, girls and young people.

Stagecoach: Stagecoach supported local communities through its Employee Matched Giving and Giving For Good Community Fund programmes.

Motability Operations: Motability Operations supported a range of causes through its Corporate Charitable Giving, Employee Charity Nominations, Employee Matched Funding, and a partnership with BEN Charity.

The Pret Foundation: Pret's Community Grants 2024 allocated £100,000 to support grassroots organisations in responding to food insecurity and equipping individuals at risk of homelessness with skills for re-entering the workplace.

New Look: Store fundraising efforts in 2024 generated over £55,000 to support local charities nominated by their stores and distribution centres.

Community Fund — Spring Fund and GoGive: These funds were restricted to support charities that help local communities affected by the cost-of-living crisis.

During the year transfers from client funds of £43k from Aldi and £6k from Motability Operations were made to the Community Fund. These were towards the Spring Fund campaign.

We also have a number of smaller funds that overall support the UN SDG; Good Health & Wellbeing.

15. Summary of funds

Summary of funds (current period)	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2025 £'000
General funds	24	42	(28)	-	38
Restricted funds	1,536	8,562	(6,916)	-	3,182
Total	**1,560**	**8,604**	**(6,944)**	**-**	**3,220**

Summary of funds (prior period)	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2024 £'000
General funds	10	32	(18)	-	24
Restricted funds	1,158	5,788	(5,410)	-	1,536
Total	**1,168**	**5,820**	**(5,428)**	**-**	**1,560**

16. Analysis of net assets between funds

	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	Total funds 2025 £'000	Total funds 2024 £'000
Current assets	54	3,182	3,236	1,573
Creditors due within one year	(16)	-	(16)	(13)
Total	**38**	**3,182**	**3,220**	**1,560**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £'000	2024 £'000
Net income for the period (as per SOFA)	1,660	392
Adjustments for:		
Interest received	(23)	-
Decrease/(increase) in debtors	(993)	57
Increase in creditors	3	-
Net cash provided by operating activities	**647**	**449**

18. Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and in hand	2,024	1,354
Total cash and cash equivalents	**2,024**	**1,354**

19. Analysis of changes in net debt

	Cash flows £'000	2025 £'000	2024 £'000
Cash at bank and in hand	670	2,024	1,354

20. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

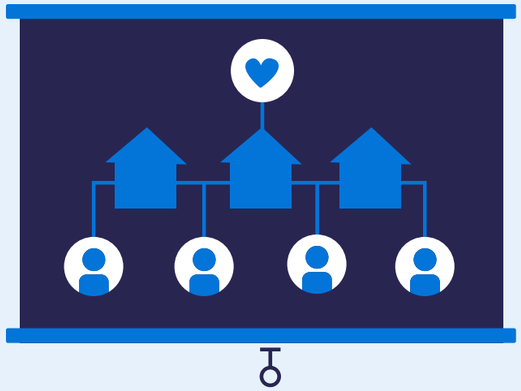
21. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2025.

Trustees remuneration and expenses is detailed in note 11.

22. Controlling party

There is no registrable person or registrable relevant legal entity at the date of signing.





The Neighbourly Foundation
Trustees Report and Financial Statements
For the year ended 31 March 2025

THE NEIGHBOURLY FOUNDATION

England & Wales - Charity number 1189514

Accounts

The Neighbourly Foundation

Trustees Report and Financial Statements

For the year ended 31 March 2024









Contents

About the Neighbourly Foundation....4
Report from the Chair of Trustees....5
Purpose and activities....6
Aims and objectives....8
Vision and strategy....10
2023-2024 highlights....12
Achievements and performance....14
Corporate partners....20
Trusts and foundations....21
Charity partners....22
Our commitment to donors and supporters....23
Financial review 2023-24....24
Principal risks and uncertainties....26
Structure, governance and management....27
Our charity details....29
Statements of trustees responsibilities....30
Independent auditors report....31
Financial statements....34

About us

The Neighbourly Foundation (charity no. 1189514) is an independent foundation which collaborates closely with Neighbourly Limited, the impact-led giving platform that connects businesses and communities for social good. The platform facilitates meaningful partnerships between companies, local charities and communities, ensuring volunteer hours, financial donations, and surplus products contribute to sustainable community development.

The Foundation was established as a charity to advance general charitable purposes and operates to grant funds to other charitable organisations and projects. It was set up in response to the COVID pandemic in 2020 to provide easier access to funding for Neighbourly's network of good causes that support people in need and look after the health and wellbeing of communities across the UK & Ireland. The Foundation provides the route for corporate partners to ensure funds are delivered efficiently and at scale to pre-vetted local causes that deliver against specific social and environmental impact themes.



Report from the Chair of Trustees



On behalf of the Board of Trustees of the Neighbourly Foundation, I am delighted to present our annual report for 2023-2024, marking our fourth year of operations.

This year has been one of resilience and growth, as we've continued to support our donor businesses and network of local charities and community organisations through the ongoing challenges of the UK's cost-of-living crisis.

Throughout this period, we've witnessed an increasing demand from our corporate partners for targeted, fast-response, and scalable donation management programmes. These initiatives aim to make a meaningful impact in the hard-hit communities and neighbourhoods where our partners operate, reflecting a growing commitment to local-level support.

In the 2023-24 financial year, we've maintained strong relationships with our original corporate partners, including Aldi, B&Q Foundation, Cadent Gas, Coca-Cola Europacific Partners, Southern Co-op, RSA Insurance and Lidl. These partnerships have resulted in bespoke and impactful grant and match-funding programmes. We've also continued our successful collaborations with Gallagher and Sainsbury's, while welcoming new partners such as the JD Foundation and NatWest. I'm proud to report that during this period, the Foundation has distributed charitable payments totalling over £5.4 million, maintaining the level set in the previous financial year.

Our Spring 2024 community survey underscored the critical nature of our work, revealing that 78% of local causes experienced increased demand for their services in the preceding three months. Notably, 47% reported being unable to help some individuals due to capacity or funding limitations. The average number of people supported weekly by causes in our network remains consistently high at 374. Across 2,742 good causes supported in the reporting period that equates to over 1 million people helped weekly. It's particularly encouraging to see our network of charitable organisations grow from around 25,000 at the start of this reporting period to nearly 35,000 just 12 months later. We remain committed to nurturing and expanding this vital network, aligning our support with the corporate funding we secure.

£5.4m

I'm proud to report that during this period, the Foundation has distributed charitable payments totalling over £5.4 million

I extend my gratitude to our trustees for their guidance and support, and to the Neighbourly team for their dedication in ensuring the Foundation delivers targeted impact to society's most vulnerable areas. Working with our network of donors, good causes and key partners, we are thrilled to have expanded the Foundation's reach, providing crucial support to local communities and the frontline causes that serve them.

As we look to the future, we remain steadfast in our mission to bridge the gap between corporate social responsibility and local community needs, fostering a more connected and resilient society.

Steve Butterworth
Chair of Trustees







Purpose and activities

The purpose of the Neighbourly Foundation is to support charities and good causes that improve the health and wellbeing of communities across the UK and Ireland.

The Foundation operates to provide grants to other charitable organisations, enabling our corporate partners to disburse both their own and their employee donations, and respond efficiently to critical need within local communities.

Corporate partners have the option to make donations on a donor-advised basis, to be deployed as part of an emergency response or via joint partner campaigns that align with the Foundation's current social and environmental impact themes.

The Foundation is registered with the Fundraising Regulator and the ICO. The Trustees award grants to not-for-profit organisations based in the UK & Ireland that are either registered with the relevant charity regulator for their region or carry out community activities that are recognised as charitable. The Foundation may also consider proposals from charities that are established outside the UK and non-charitable organisations that are established either in the UK or elsewhere.

100% of all money donated is disbursed to charity recipients. For donor-advised funds, the grant amounts are determined by the client. In the case of grants which are intended to be used for emergency aid or according to one of the Foundation's impact themes, funds are typically administered as micro-grants in the region of £500-£1,000 per charity applying, which allows the fund to minimise risk and extend impact.

Grants are made based on completion of an online application form, which minimises application time compared with traditional paper forms. Grant awards are made based on qualifiers against the grant terms, on either a first-come first-served basis, or based on donor-advised selection or employee nomination. All recipients are strictly vetted by Neighbourly Ltd prior to any award being made.

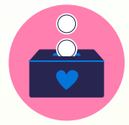
The type of activity undertaken includes funding projects that address key impact areas:

- Emergency need, e.g. cost-of-living crisis
- Community Investment and Integration
- Health & Wellbeing
- Skills for the Future
- Stewardship of the Environment
- Resource Circularity
- Waste Reduction/ GHG Emissions



The Neighbourly Foundation disburses funds generated through several different financial donation mechanisms:

- Grant Management Programmes
- Employee Match Giving
- In-Store Fundraising
- Online Donations
- Text-to-Give Donations





"Funds are typically administered as micro-grants in the region of £500-£1,000 per charity applying."

Aims and objectives

This report covers the fourth year of operations for the Foundation during which time its aims and objectives were focused on disbursing funds according to clients' donation management programmes and building the profile of the Foundation with corporate partners.

There remains an urgent need within communities for help and businesses continue to require a targeted response mechanism for supporting local good causes. The reporting period covers a challenging time for UK communities, with the cost-of-living crisis continuing creating significant pressure on the network of good causes we support.

Aims for the reporting period

Respond effectively to community need in relation to the cost-of-living crisis and economic impacts

Build the profile of Neighbourly's donation management services with existing and prospective clients

The criteria and measures used to assess success in this period include:

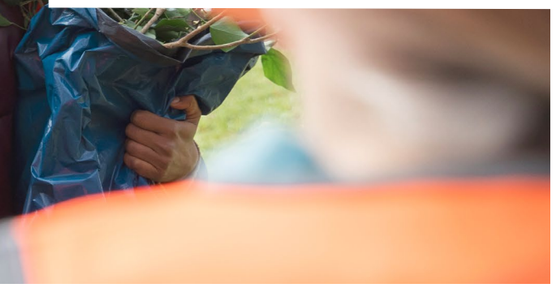
- Funds donated against impact themes set by the Foundation and donor businesses
- Number and geographical location of charities and causes supported
- Estimated number of end-beneficiaries
- Speed of fund allocation according to individual programme goals
- Project-specific criteria, for example meals provided or number of people in isolation supported
- Feedback from recipient charities and groups on the social and environmental impact created, including quantitative and qualitative measures
- Programme / client specific KPIs

Successfully demonstrating our ability to respond to urgent needs, act flexibly and responsibly in support of the charity network, and report back on key impact measures has so far enabled the Foundation to further its purposes by engaging with additional corporate partners that understand the importance and value of building strong communities.



Longer-term, the Foundation aims to:

- Continue to respond effectively to community need, in relation to the cost-of-living crisis and other societal or environmental pressures, utilising experience and feedback gained
- Use community insights to inform the direction of corporate programmes
- Extend its reach and impact, working with additional corporate partners
- Grow the beneficiary network of small charities and community causes
- Work with Neighbourly on technology developments to further streamline and optimise grant application processes and funding programmes





The Neighbourly Foundation's key priorities are to support charities and community causes that are:

Working to alleviate hunger, for example by providing food provisions and emergency supplies and supporting those campaigning to eliminate the root causes of poverty and the need for charitable food provision

Supporting the health and wellbeing of individuals through programmes that reduce social isolation and deliver community cohesion, support with mental and physical health and improve access to healthy environments

Supporting elderly or vulnerable members of the community and those suffering economically, socially or from ill health as a result of poverty, cost-of-living crisis, global conflict or other macro forces

Improving environmental sustainability through the promotion and creation of green spaces, protection of natural habitats and local biodiversity, acceleration of a low carbon future and waste reduction programmes

Helping people to fulfil their potential and achieve aspirations through educational programmes and support to access jobs that provide financial independence

Vision and strategy



The vision of The Neighbourly Foundation is to improve the health and wellbeing of local communities and environments by encouraging and facilitating corporate community investment.

The Foundation is governed by the charity trustees who have a duty to apply the Foundation's assets to advance its objectives and have ultimate responsibility for all grantmaking decisions.

The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly provides resources to the Foundation free of charge to support its charitable activities. The relationship between the two organisations is one of association and collaboration.



2023-2024 highlights



£5.4m

A total of £5.4 million was paid out in grants to charitable organisations from April 2023 to March 2024

2,742 charities

2,742 distinct charities and community causes were supported by donations from the Foundation



Over 1 million people

1.03 million people are supported weekly by the 2,742 charities that received donations



£1.1m

Sainsbury's reached their £3 million to-date milestone, with just over £1.1 million disbursed this year

£196k

New corporate partner **JD Foundation** launched donor-led grant programmes with charitable payments totalling over £196,000

£1.8m

Our ongoing partnership with the **B&Q Foundation** facilitated over £1.8 million in donations to charities helping to improve housing and community spaces

£800k

Lidl GB donated nearly £800,000 this year through a combination of their ongoing Community Fund, Toy Bank Fund and Hygiene Poverty Fund

£387k

Southern Co-op's neighbourhoods and food bank funds provided over £387,000 to communities around their stores



Achievements and performance

Corporate client programmes

£37,000 was donated by Aldi as part of their ongoing Winter Fund and a 1,000th store opening celebration.

Grants of £1,000 were given to charities and community groups partnered with an Aldi store for food surplus that supports families and children with access to food and daily essentials. The funding was designed to be used for the provision of food parcels and meals, or to build capacity within food banks and community food programmes.

"The Neighbourly grants provide much needed additional food and resources to enable us to continue to provide food parcels to vulnerable refugees and asylum seekers."

Meeting Point

£65,317 was donated to charities and community groups through Cadent's matched giving initiative and volunteering programmes.

Up to £400 in matched funds was offered to any charities supported by Cadent employees through fundraising or personal donations. Up to £200 was offered as a donation to the organisations that Cadent employees volunteered for throughout the year.

"Funding from Cadent will allow us to continue our vital work taking on pancreatic cancer and transforming the future for everyone affected. With your support we will do this by funding ground-breaking research into early diagnosis and new treatments and providing specialist support and information to help patients and families cope with their diagnosis."

Pancreatic Cancer UK



"Between October 2023 and April 2024, the Winter Shelter provided 5,693 nights' protection, three meals a day and support for 190 people that would otherwise have been rough sleeping during the coldest months."

Emmanuel House Support Centre

£41,615 was donated by Canada Life as part of their community grants and volunteering campaigns.

Grants of £400-£1,000 were provided to charities or community organisations nominated by Canada Life colleagues which could be a cause they have a personal connection to or an organisation they have volunteered with. £35 per person was also donated to a range of charities that Canada Life employees volunteered with throughout the year.

"On behalf of Gratitude can you please pass our grateful thanks to Canada Life. It is beyond incredible what the team did to help us on our journey with the kitchen. We cannot thank you enough."

Gratitude

£141,232 was donated by Certas Energy as part of their 'Making a Difference' grants and match funding campaign.

Certas aims to invest 1% of their profits into community projects across the UK, to create a culture of community service and good partnerships with local non-profits. Funding is open to registered charities to apply for a grant of up to £1,500 and every quarter, ten of their Gulf Service Stations are given £1,000 each to donate to a local good cause of their choice.

"The grant contributed towards Emmanuel House's Winter Shelter, which provides short-term emergency accommodation for homeless people in Nottingham. Between October 2023 and April 2024, the Winter Shelter provided 5,693 nights' protection, three meals a day and support for 190 people that would otherwise have been rough sleeping during the coldest months."

Emmanuel House Support Centre





Coca-Cola Europacific Partners

£24,563 was donated to local charities through the Coca-Cola Europacific Partners 2023 volunteering programme and £84,000 through the Coca-Cola GB Christmas Fund.

Coca-Cola GB teamed up with Neighbourly for their Christmas campaign to donate £84,000 across 84 charities and community groups in the locations selected for their seasonal truck tour. Donations were also made by Coca-Cola Europacific Partners to charities throughout the year to support their volunteer events, with focus areas including carbon reduction, environment and water conservation, litter and recycling.

"This fund was extremely helpful to our charity because we support families that are on low income. A great percentage of the funds was used to buy food supplies given to the families during the winter months."

The Redeemed Christian Church Of God, King Of Glory

Gallagher

£412,429 was paid out to charities and community organisations through Gallagher's Community Fund, volunteering and match-giving programmes.

Gallagher's Community Fund allows employees to nominate a different good cause they are passionate about to receive a £1,000 donation each calendar quarter. Employees also receive up to £700 each year to boost their fundraising efforts for their chosen charity through match-funding. Through their 'Making A Difference Award' employees put forward good causes that they have built a strong relationship with and a judging panel of Gallagher ESG committee members select the top 5 causes. In 2024, £25k was awarded to the selected winner, Dandelion Time and £5k to each of the 4 runners up.

"We are extremely grateful to Gallagher for this fantastic Making a Difference award. It is wonderful to receive this recognition for our vital and transformative work with children and families across Kent who are struggling with the effects of trauma. This huge sum will fund eight children and families' ten week programmes, and will make a real and tangible difference to these children's lives and futures."

Dandelion Time

"The £5000 grant has been used to expand our existing community kitchen in order to allow us to support more individuals to develop cooking and nutritional skills."

Foothold Cymru

£500,000

An annual £500,000 community fund is made available to good causes partnered with Lidl which are helping to alleviate food poverty.

Heineken

£10,397 was donated by Heineken as part of their community fund, match funding and volunteering campaigns.

Employee fundraising was match-funded by Heineken, up to a maximum of £200 per individual application and up to £500 for team applications. £2,000 was also paid out as part of their community fund.

"The funds were used towards the purchase of a new gazebo to replace one that was badly damaged by high winds. This has allowed us to continue with our fundraising efforts on which the Group's existence relies. We are extremely grateful for these additional funds."

2nd Cove Sea Scouts

LIDL

£795,388 was donated by Lidl through their Community Fund, Hygiene Poverty Fund and Toy Bank Fund.

An annual £500,000 community fund is made available to good causes partnered with Lidl which are helping to alleviate food poverty. The fund provides financial support for emergency food provision alongside grants to support larger, capacity-building initiatives. Grants in this period ranged from £500 to £5,000. Funds were also provided to their Christmas Toy Bank collectors and to organisations tackling hygiene poverty.

"The £5,000 grant has been used to expand our existing community kitchen in order to allow us to support more individuals to develop cooking and nutritional skills. We have purchased three new cookers and cooking equipment. As a result we now have a second fully operational teaching kitchen. The grant has extended our ability to support local people to learn basic cooking skills, helping them to cook from scratch and make healthy food choices. This will improve access to affordable, nutritious food for all the family."

Foothold Cymru







NatWest

£147,000 was donated by NatWest as part of their Royal Bank Regenerate Fund in Scotland.

The fund was aimed at supporting causes who are making positive changes to the environment across Scotland. The total fund provided 50 grants of £3,000 each to community organisations and charities with projects focused on a range of sustainability and environmental protection themes.

"This funding has been instrumental in our most recent phase of works retrofitting our facilities to become sustainable, energy-positive spaces that can withstand the pressures of any forthcoming climate and economic impact. The commitment to energy-positivity across both buildings is part of our long term ambition to champion the possibility of energy positive public spaces and the journey towards locally owned renewable energy generation."

Agile City CIC

RSA

£84,098 was donated by RSA Insurance through their match-funding and volunteering programmes.

RSA supports employees' fundraising efforts by matching pound-for-pound what they raise for UK registered charities. £25 per person, per event was also donated as part of their volunteer activity.

"This grant has helped support our developing playtimes project for over four hundred children, transforming the space from a bland playground into an area where children thrive and grow in their fitness and social well being."

Northlands Wood Primary Academy

"Without the benefit of generous donors like the Co-op we would not be able to help those most in need."

Bognor Regis Foodbank

£147,000

was donated by NatWest as part of their Royal Bank Regenerate Fund in Scotland.

Sainsbury's

£1,125,713 was donated by Sainsbury's through their 'Helping Everyone Eat Better' community grants programme.

Funds were donated as either £500, £1,500 or a bespoke larger Stardust grant to store-nominated charities, CICs and community groups that help people access food, and/or help lift people out of food poverty.

"The £500 we received was used to purchase 385kg of food. This will feed around 40 people. Monetary grants and donations are so important for us. During the current cost-of-living crisis, the demand for our service is becoming greater. Without generous donations and grants we simply would not have the resources to give out. "

Kinson and West Howe Foodbank

southern co-op

£387,670 was donated by Southern Co-op via a number of community campaigns which focus on creating safer, greener and healthier neighbourhoods.

This included a Winter Fund and Food Bank campaign. Good causes across the south of England received grants between £500 and £1,500 as part of local funding, partnerships and food bank programmes.

The £150,000 Safer Neighbourhood Fund was shared across a number of charities and good causes with the aim of helping tackle the causes of retail crime in the communities where Southern Co-op operate.

"At the moment food donations have dropped due to everyone feeling the pinch. Without the benefit of generous donors like the Co-op we would not be able to help those most in need."

Bognor Regis Foodbank





Corporate partners

We'd like to thank the Foundation's corporate partners for their contributions during this period. Due to their support and continued dedication to community investment, the Neighbourly Foundation was able to positively impact many thousands of charities and millions of individuals.

Companies that donated to charities through the Neighbourly Foundation in this reporting period:

- Aldi
- B&Q Foundation
- Cadent Gas
- Canada Life
- Certas Energy
- Coca-Cola Europacific Partners
- Gallagher UK
- Hays
- Heineken
- JD Foundation
- Johnson Matthey
- Lidl
- M&G
- NatWest/RBS
- RSA Insurance
- Sainsbury's
- Samsung
- Southern Co-op
- William Hill

Trusts and foundations

B&Q FOUNDATION

£1,816,166 was donated by the B&Q Foundation to charities that are helping create better, safer places for the people in communities who need them most. The grants, typically up to around £5,000 to £10,000, were focused on support for projects which provide, maintain, repair or improve housing or community space.

97,000

A total of 261 charities were supported by the grants, which collectively support over 97,000 people each week.

"With the generous funding from the B&Q Foundation, we were able to renovate two bathrooms in a supported house. The quality of the new facilities, including the reconfiguring of a space into a utility room, has made the property a much more welcoming home for the residents. By making this home a quality place to live, our residents' wellbeing is hugely improved."

King's Arms Project

JD FOUNDATION

£196,250 was donated by the JD Foundation as part of their grants and colleague charity nomination programme, with a focus on supporting women, girls and young people. Grants of between £1,500 and £10,000 were awarded from the 'Together We Can' fund to causes supporting women and girls. Each JD employee (including JD Sports, Blacks, Millets, Size, Go Outdoors and head office staff) could also nominate a registered charity to receive a grant of between £1,250 and £5,000 to help young people reach their full potential.

18,000

49 charities were supported by the funding, which collectively support over 18,000 people each week.

"The JD Foundation's generous support will assist the senior management team to generate more income via our training and coordination strategy in order to sustainably support more women and girls who have experienced domestic and sexual abuse and stalking in the future."

Aurora New Dawn

"This is an incredible gift. Thanks to the B&Q Foundation we can continue to transform the lives of children aged 0-5 with special educational needs and disabilities and their families at this particularly challenging time."

The Peter Pan Centre for Children with Special Needs



Charity partners

Donations have been made to charities through the following programmes:



Programme	Good causes supported
Aldi	36
B&Q Foundation	261
Cadent Gas	77
Canada Life	62
Certas Energy	103
Coca-Cola European Partners	110
Gallagher UK	352
Hays	1
Heineken	30
JD Foundation	49
Johnson Matthey	1
Lidl	1,180
M&G	11
NatWest / RBS	50
RSA Insurance	103
Sainsbury's	769
Samsung	1
Southern Co-op	421
William Hill	6
Neighbourly Warm Communities Fund	51

2,742

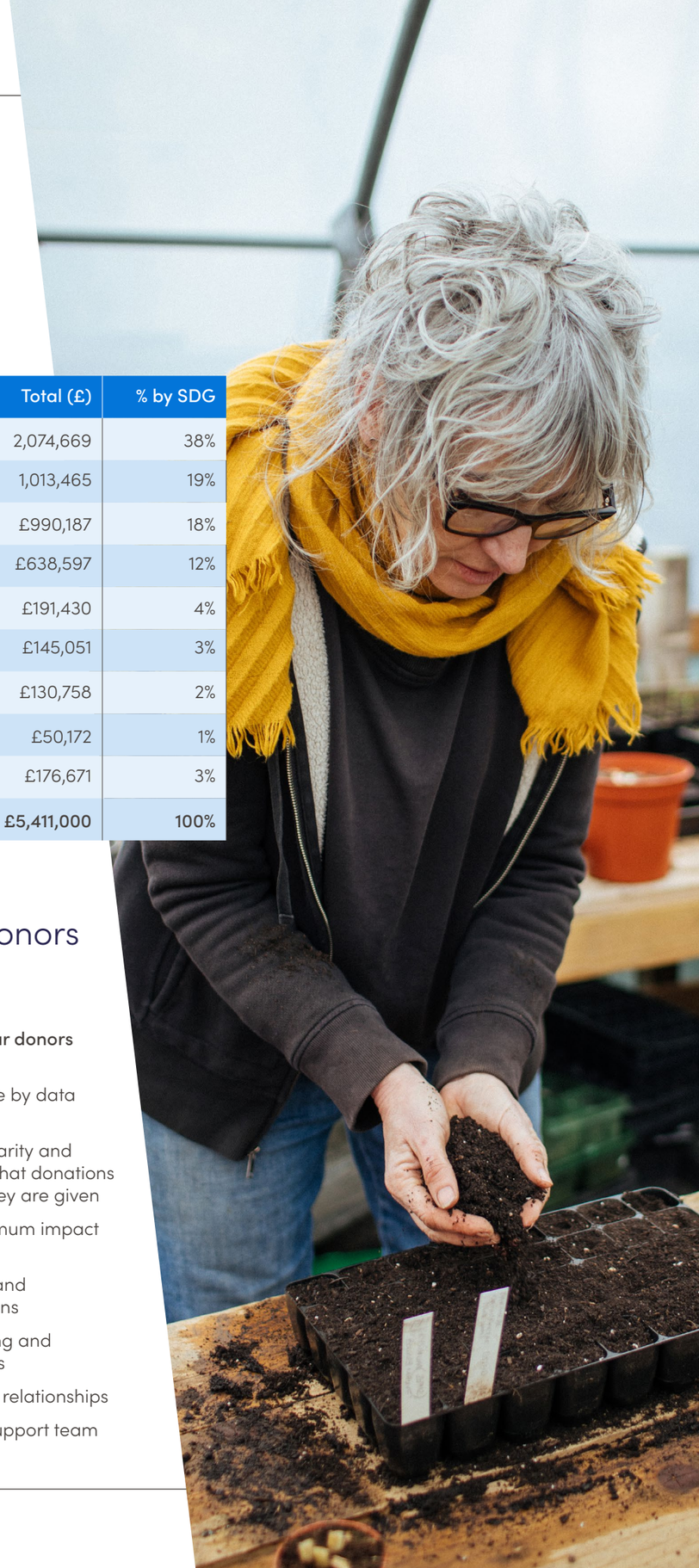
unique charities and community causes were supported across all programmes that help an average of 374 people* every week (*figure from May 2024 community survey)

1.03m

people supported weekly by the charities that have received donations from the Foundation.

Key Sustainable Development Goals supported by The Foundation:

Sustainable Development Goal	Total (£)	% by SDG
Good health and wellbeing	2,074,669	38%
Zero hunger	1,013,465	19%
No poverty	£990,187	18%
Reduced inequalities	£638,597	12%
Sustainable cities and communities	£191,430	4%
Quality education	£145,051	3%
Gender equality	£130,758	2%
Affordable and clean energy	£50,172	1%
Other (under 1% each)	£176,671	3%
Grand total	**£5,411,000**	**100%**



Our commitment to donors and supporters

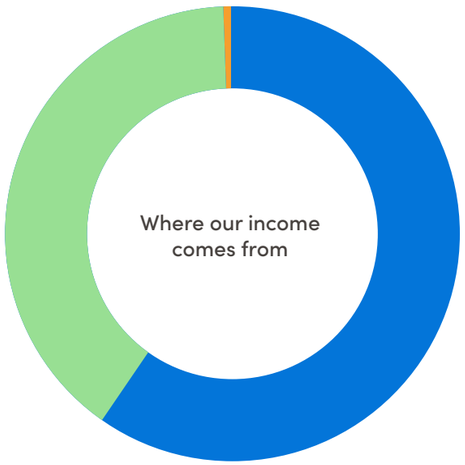
We are grateful for the generosity of our donors and supporters and we commit to:

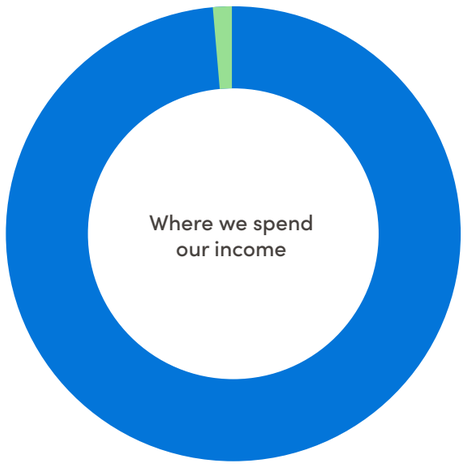
- Safeguard personal details and abide by data protection laws
- Work closely with the Foundation's charity and community cause network to ensure that donations are used for the purpose for which they are given
- Distribute donations to achieve maximum impact according to the aims of the funding
- Provide impact reports on the social and environmental benefits of the donations
- Be open and transparent about vetting and distribution processes and procedures
- Encourage feedback and foster close relationships
- Provide the services of a dedicated support team

Financial review 2023-24

During this reporting period the Neighbourly Foundation received £5.8m of restricted funding and donated £5.4m in grants to charitable organisations.







All of our income has come from charitable donations, either from the Foundation's corporate partners, trusts and foundations, individual donors or Neighbourly Ltd. All donations are treated as restricted with the exception of Neighbourly Ltd, whose donation is to support running costs of the charity.

The donations are split across the categories as follows:

- Corporate Donations: £3,452,906 (59.5%)
- Trusts and Foundations: £2,334,696 (40.2%)
- Individual donations: £300 (0%)
- Neighbourly Ltd: £18,952 (0.3%)

Our sole activity is granting funds to other charitable organisations and projects, therefore this accounts for 99% of our spend. Any administrative costs, for example audit fees, insurance etc, are covered by donations from Neighbourly Ltd.

Expenditure is split as follows:

- Grants to charitable organisations and projects: £5,410,487 (99%)
- Administrative costs: £17,998 (1%)

Reserves

The majority of cash at bank is restricted with only a small balance being unrestricted. Grants are then made to charitable organisations from balances held on behalf of corporate and other donors. Unrestricted funds are held to cover the running costs of the charity including, for example, audit fees and insurance.

Under the Strategic Partnership Agreement with Neighbourly Ltd, all resources to enable the charity to operate e.g. access to the Neighbourly platform and staff costs, are provided free of charge. The trustees have concluded that it is necessary to maintain only minimal reserves to cover the running costs of The Neighbourly Foundation and at any time sufficient reserves are held to cover three months of committed expenditure.

At the period end the charity had total reserves of £1,559k with restricted reserves of £1,535k and unrestricted reserves of £24k. The restricted reserves are not available for general purposes of the charity and are to be donated to other charitable organisations in the next period.

Going concern

The trustees have a reasonable expectation that The Neighbourly Foundation has adequate resources through its partnership with Neighbourly Ltd to continue to operate for the foreseeable future. Hence the annual financial statements have been prepared on the going concern basis. Please refer to the Notes to the Financial Statements for further detail.

At the period end the charity had total reserves of £1,559k with restricted reserves of £1,535k and unrestricted reserves of £24k.

Principal risks and uncertainties

The Foundation is operating in a challenging environment due to a number of factors. The ongoing impacts of the cost-of-living crisis are creating a strain on both businesses and the charitable sector, as well as long-term financial and health implications for beneficiaries.

Charities and community organisations are facing uncertainties, reduced funding and resources, increased costs and reduced volunteer capacity. An additional threat for communities is climate related disasters, including flooding.

The Neighbourly Foundation has been proactive in providing guidance to its network of causes regarding the management of risks whilst continuing to survey causes periodically to ensure we remain responsive to changing needs. Neighbourly continues to expand its number of corporate partners donating through the Foundation in order to provide relevant support for local good causes and communities.

Structure, governance and management

The Neighbourly Foundation is a company limited by guarantee (12541286) (England and Wales) incorporated 31 March 2020 and is registered with the Charity Commission as a charity (1189514). It is governed by its Memorandum and Articles of Association adopted on the same date.

Objects

The Objects of the Foundation are as set out in the Memorandum and Articles of Association. The Foundation has been established to advance general charitable purposes for the public benefit and will operate principally by granting funds to charitable organisations and projects which are charitable under the law of England and Wales (provided that the Charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).



Organisation

The charity was established on 31 March 2020 as a company limited by guarantee, with Neighbourly Ltd as its sole member. Further to a Special Resolution of 26 February 2021 the membership was transferred from Neighbourly Ltd to Howard Russell one of its Trustees, and further to a Resolution of 13 September 2021, to all Trustees from time to time. The liability of each member under the guarantee is £1.

The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly has agreed to provide Resources to the Foundation free of charge for the Foundation to pursue its charitable purposes. The relationship between the two organisations is one of association and collaboration and not one involving direction or control. Neighbourly Ltd recognises and understands that the Trustees have responsibility for governing the Foundation and does not interfere in the day to day running of the Foundation. Neighbourly does not act in any way that prejudices the independent decision-making of the Trustees or which inhibits the Trustees' ability to fulfil their charity law duties.

The Articles contain a conflict of interest provision to ensure that Neighbourly Connected Directors cannot participate in any decision making that the Trustees recognised as Independent Directors consider relates to the relationship between the Neighbourly Foundation and Neighbourly.

Board meetings are held quarterly, some of which during the reporting period have been held remotely.



Related parties

Steve Butterworth acts as the Chair of the charity and is also the CEO of Neighbourly Ltd. Chris Kelly is non-executive Director of Neighbourly Ltd. Both own shares in that company.

Remuneration

None of our trustees receive remuneration or other benefit from their work with the charity.

Recruitment of Trustees

The charity ended the year with four Trustees supporting the charity. As the charity grows it will aim to recruit additional trustees who have the skills the charity needs to develop. It values the benefits of having members with different backgrounds, expertise and experience.

Trustee induction and training

All new trustees undertake an induction programme, which includes visiting our partner Neighbourly, understanding the roles and duties of the trustees, company and charity law and governance, and financial and risk management.

Risk management

The trustees are cognisant of the reliance that the Foundation has on its partnership with Neighbourly. The trustees regularly seek assurances that that support remains in place and will do so for the foreseeable future.

Public Benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities. The Neighbourly Foundation's focus on crisis recovery, community health and wellbeing, skills development and environmental stewardship, working in partnership with local charities and community groups, will have a direct and positive benefit on individuals that are isolated, marginalised or vulnerable and those living in deprived neighbourhoods.

Fundraising Standards

The Trustees are aware of current legislation and updated guidance from the Charity Commission. We are a fully contributing member to the Fundraising Regulator and follow best practice in our fundraising. We are compliant with the regulation where it applies to us. We do not contract with third party fundraising organisations.

Steve Butterworth (Chair)
15th November 2024

Our charity details

Charity name
The Neighbourly Foundation

Registered charity number
1189514 (England and Wales)

Registered company number
12541286 (England and Wales)

Trustees and Directors
Steve Butterworth
(Chair of Trustees)
Chris Kelly
Howard Russell
Nicholas Smailes

Registered office
Engine Shed, Station Approach,
Redcliffe, Bristol BS1 6QH

Bankers
Lloyds Bank, 3rd Floor,
25 Gresham Street,
London, EC2V 7HN

Legal advisers
Bates Wells,
100 Queen Street Place,
London, EC4R 1BE

Auditors
Bishop Fleming LLP,
10 Temple Back,
Bristol, BS1 6FL

Statements of trustees responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;



- State whether applicable UK accounting standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and to 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 the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Steve Butterworth, Chair of Trustees
15th November 2024

Independent auditors report

Opinion

We have audited the financial statements of The Neighbourly Foundation (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion 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 for the financial period for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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 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; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and Trustees in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Charity. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty. These include data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the trustees 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 trustees those matters we are required to state to them in an Auditors' 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 trustees for our audit work, for this report, or for the opinions we have formed.

David Butler FCA DChA
(Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

15th November 2024



Financial statements

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.



Statement of financial activities for the year ended 31 March 2024
(incorporating income and expenditure account)

	Notes	Unrestricted funds £'000	Restricted funds £'000	2024 Total funds £'000	2023 Total funds £'000
Income from:					
Donations and legacies	3	19	5,788	5,807	5,787
Other income	4	13	-	13	2
Total		**32**	**5,788**	**5,820**	**5,789**
Expenditure on:					
Charitable activities	6	18	5,410	5,428	5,402
Total		**18**	**5,410**	**5,428**	**5,402**
Net income/(expenditure)		14	378	392	387
Reconciliation of funds:					
Total funds brought forward		10	1,158	1,168	781
Net movement		14	378	392	387
Total funds carried forward		**24**	**1,536**	**1,560**	**1,168**

The Statement of Financial Activities includes all gains and losses recognised in the period.
The notes on pages 38 to 45 form part of these financial statements.



Balance sheet at 31 March 2024

	Notes	2024 £'000	2023 £'000
Current assets			
Debtors	11	219	276
Cash at bank		1,354	905
Total		**1,573**	**1,181**
Creditors			
Amounts falling due within one year	12	(13)	(13)
Net current assets/(liabilities)		1,560	1,168
Total assets less current liabilities		1,560	1,168
Net assets		**1,560**	**1,168**
Total net assets		**1,560**	**1,168**
Charity funds			
Restricted funds	13	1,536	1,158
Unrestricted funds	13	24	10
Total funds		**1,560**	**1,168**

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011. 28

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Steve Butterworth
Chair of Trustees
Date: 15th November 2024

The notes on pages 38 to 45 form part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2024

	2024 £'000	2023 £'000
Cash flows from operating activities:		
Net cash used in operating activities	449	274
Change in cash and cash equivalents in the reporting period	**449**	**274**
Cash and cash equivalents at the beginning of the period	905	631
Cash and cash equivalents at the end of the period	**1,354**	**905**



Notes to the financial statements

1. General Information

The Neighbourly Foundation is a charitable company limited by guarantee and not having a share capital, registered in England and Wales. The registered office is Engine Shed, Station Approach, Bristol, BS1 6QH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Neighbourly Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The accounts have been prepared on a going concern basis which assumes that sufficient working capital will be available for operational requirements.

To conclude on this basis the trustees reviewed the cash flow forecast to October 2025 (12 months from the date of signing). As ongoing funding from Neighbourly Ltd is also key in our considerations, the budget and cash flow forecasts of the company were also reviewed. No material uncertainties were identified.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

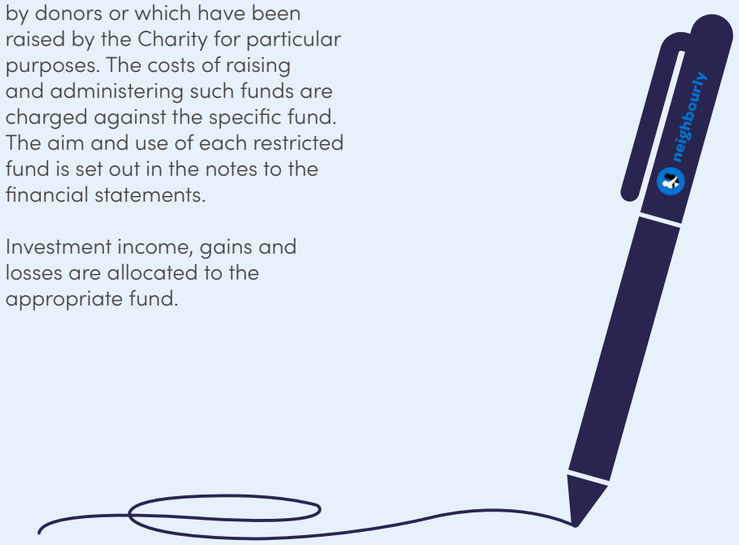
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 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 which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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



3. Income from donations and legacies

	2024 £'000	2023 £'000
Restricted — Donations	5,788	5,771
Unrestricted — Donations	19	16
Total	**5,807**	**5,787**

4. Investment income

	2024 £'000	2023 £'000
Investment income - Unrestricted	**13**	**2**

5. Analysis of grants

	2024 £'000	2023 £'000
Grants to Institutions	**5,410**	**5,384**

The Neighbourly Foundation provides micro-grants to support good causes in line with its charitable objectives. Further analysis can be found under the 'Charity Partners' heading earlier in this report.

6. Analysis of expenditure on charitable activities

Summary by fund type

	2024 £'000	2023 £'000
Unrestricted funds	18	18
Restricted funds	5,410	5,384
Total	**5,428**	**5,402**

7. Allocation of support costs

Support costs of £18,000 are allocated to charitable activities. These costs include Marketing costs (£700), audit and accountancy fees (£13,690), bank fees (£500), legal fees (£280) and insurance (£2,700). All other support costs are borne directly by Neighbourly Limited and are not recharged to The Neighbourly Foundation as it is not possible for the allocation to be accurately determined.

8. Auditors' remuneration

	2024 £'000	2023 £'000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,050	10,750
Fees payable to the Charity's auditor in respect of: Preparation of the statutory accounts	2,250	2,200

9. Staff costs

Staff costs are borne wholly by Neighbourly Limited and not recharged to The Neighbourly Foundation.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits.

During the year ended 31 March 2024, no Trustee expenses have been incurred.

11. Debtors

	2024 £'000	2023 £'000
Due within one year		
Trade debtors	204	266
Amounts owed by participating interests	10	10
Prepayments and accrued income	5	-
Total	**219**	**276**

12. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Accruals and deferred income	13	13
Total	**13**	**13**

13. Statement of funds

Statement of funds (current year)	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2024 £'000
Unrestricted funds					
Income from participating interests	10	32	(18)	-	24
Restricted funds					
B&Q	45	1,835	(1,816)	-	64
Cadent	26	53	(65)	-	14
Lidl	376	673	(795)	-	254
RSA	65	120	(84)	-	100
Sainsbury's	243	1,169	(1,126)	-	286
Southern Co-op	33	584	(388)	-	229
Aldi	67	11	(37)	-	41
Gallagher	114	347	(413)	-	48
Certas	74	96	(141)	-	29
Coca-cola Europacific Partners	43	130	(108)	-	65
Canada Life	-	58	(42)	-	16
NatWest/RBS	-	150	(147)	-	3
The JD Foundation	-	500	(196)	-	304
Stagecoach	-	25	-	-	25
Good health & well-being	31	10	(17)	(1)	23
Climate Change	11	-	-	(11)	-
Volunteering support	4	8	(9)	-	3
Community fund	-	17	-	12	29
Community fund - Warm Communities	26	2	(26)	-	2
	1,158	5,788	(5,410)	-	1,536
Total of funds	**1,168**	**5,820**	**(5,428)**	**-**	**1,560**

B&Q: These funds were allocated to support projects that are improving, maintaining, providing or creating places to make people feel comfortable, safe and welcome.

Cadent: These funds were donated to charities and community groups through Cadent's employee-led matched giving initiative and volunteering programmes.

Lidl: This community fund is a quarterly recurring fund made available to good causes partnered with Lidl which are helping to alleviate food poverty.

RSA: These funds were donated to charities and community groups through RSA's employee-led matched giving initiative and volunteering programmes.

Sainsbury's: These funds were donated to store-nominated charities, CICs and community groups that help people to access food, and/or help lift people out of food poverty.

Southern Co-op: These funds were allocated to good causes located across the South of England through various campaigns including their local funding scheme, Love Your Neighbourhood Local Partnerships campaign and Food Bank campaign.

Aldi: These funds were allocated to charities and community groups partnered with an Aldi store for food surplus and that support families and children with access to food and daily essentials.

Gallagher: These funds were paid out to charities and community organisations through Gallagher's employee-nominated community fund, volunteering and match giving programmes.

Statement of funds (prior period)	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2023 £'000
Unrestricted funds					
Income from participating interests	10	18	(18)	-	10
Restricted funds					
B&Q	45	1,597	(1,597)	-	45
M&S	-	1,000	(1,000)	-	-
Cadent	24	50	(48)	-	26
Lidl	125	743	(492)	-	376
RSA	45	80	(60)	-	65
Sainsbury's	274	1,090	(1,121)	-	243
Southern Co-op	35	439	(416)	(25)	33
Aldi	28	258	(219)	-	67
Gallagher	50	300	(236)	-	114
Certas	-	86	(12)	-	74
Coca-cola Europacific Partners	25	50	(32)	-	43
Good health & well-being	47	22	(38)	-	31
Climate Change	11	-	-	-	11
Reduced inequalities	16	1	(17)	-	-
Volunteering support	-	12	(8)	-	4
Community fund - SOC	24	-	(26)	2	-
Community fund - COVID19	22	17	(7)	(32)	-
Community fund - Warm communities	-	26	(55)	55	26
	771	5,771	(5,384)	-	1,158
Total of funds	**781**	**5,789**	**(5,402)**	**-**	**1,168**

Certas: Funding was open to registered charities to apply for grants as part of their 'Making a Difference' campaign.

Coca-Cola Europacific Partners & Coca-Cola GB: These funds were donated as part of a Christmas campaign and volunteer events to support projects focusing on carbon reduction, environment and water conservation, litter and recycling.

Canada Life: Grants were provided to charities or community organisations nominated by Canada Life colleagues which could be a cause they have a personal connection to or an organisation they have volunteered for.

NatWest/RBS: The fund was aimed at supporting causes who are making positive changes to the environment across Scotland.

JD Foundation: This fund is part of the JD Foundation grants and colleague charity nomination programme, with a focus on supporting women, girls and young people.

Stagecoach: This is a new fund in 2024 and grant payments started in FY 2025.

Community Fund and Warm Communities Fund: These funds were restricted to support charities that help local communities affected by the cost-of-living crisis.

We also have a number of smaller funds that overall support the following UN SDGs; Good Health & Wellbeing; Climate Change; Reduced Inequalities.

14. Summary of funds

Summary of funds (current period)	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2024 £'000
General funds	10	32	(18)	-	24
Restricted funds	1,158	5,788	(5,410)	-	1,536
Total	**1,168**	**5,820**	**(5,428)**	**-**	**1,560**

Summary of funds (prior period)	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2023 £'000
General funds	10	18	(18)	-	10
Restricted funds	771	5,771	(5,384)	-	1,158
Total	**781**	**5,789**	**(5,402)**	**-**	**1,168**

15. Analysis of net assets between funds

	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
Current assets	37	1,536	1,573	1,181
Creditors due within one year	(13)	-	(13)	(14)
Total	**24**	**1,536**	**1,560**	**1,167**

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £'000	2023 £'000
Net income for the period (as per SOFA)	392	387
Adjustments for:		
Decrease/(increase) in debtors	57	(111)
Increase in creditors	-	(2)
Net cash provided by operating activities	**449**	**274**

17. Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	1,354	905
Total cash and cash equivalents	**1,354**	**905**

18. Analysis of changes in net debt

	Cash flows £'000	2024 £'000	2023 £'000
Cash at bank and in hand	449	1,354	905

19. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

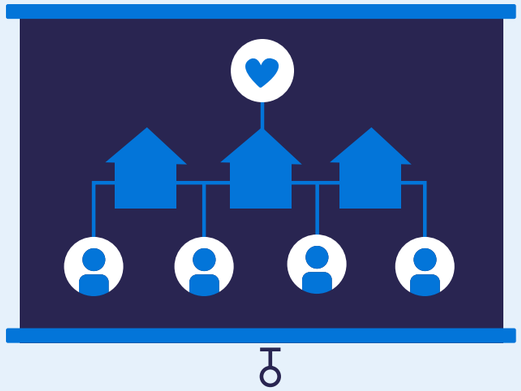
20. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2024.

Trustees remuneration and expenses is detailed in note 10.

21. Controlling party

There is no registrable person or registrable relevant legal entity at the date of signing.





The Neighbourly Foundation
Impact Report and Financial Statements
For the year ended 31 March 2024

THE NEIGHBOURLY FOUNDATION

England & Wales - Charity number 1189514

Accounts

The Neighbourly Foundation

Trustees Report and Financial Statements



For the year ended 31 March 2023



Contents

About the Neighbourly Foundation 4

Report from the Chair of Trustees 5

Purpose and activities 6

Aims and objectives 8

Vision and strategy 10

2022-2023 highlights 12

Achievements and performance 14

Corporate partners 24

Individual donors 25

Trusts and foundations 26

Charity partners 28

Our commitment to donors and supporters 29

Financial review 2022-23 30

Principal risks and uncertainties 32

Structure, governance and management 33

Our charity details 35

Statements of trustees responsibilities 36

Independent auditors report 37

Financial statements 40



About us

The Neighbourly Foundation (charity no. 1189514) is an independent foundation which collaborates closely with Neighbourly Limited, the award-winning giving platform that helps businesses make a positive impact by donating volunteer time, money and surplus products to local communities.

The Foundation was established as a charity to advance general charitable purposes and operates to grant funds to other charitable organisations and projects. It was set up in response to the COVID pandemic in 2020 to provide easier access to funding for our network of good causes that support people in need and look after the health and wellbeing of communities across the UK & Ireland.

The Foundation provides the route for its corporate partners to ensure funds are delivered efficiently and at scale to pre-vetted local causes that deliver against specific social and environmental impact themes.

Report from the Chair of Trustees



On behalf of the Board of Trustees of the Neighbourly Foundation, I'm pleased to present our annual report for 2022-2023, which covers the charity's third year of operations.

During this year, the Foundation has supported its donor businesses and network of local charities and community organisations through another period of uncertainty and challenge as the effects of the cost-of-living crisis and war in Ukraine have taken hold.

As a result, the Foundation has continued to respond to the growing desire of corporate partners that want to deliver targeted, fast-response and scalable donation management programmes into hard-hit communities and neighbourhoods where they operate.

In the financial year 2022-23, we supported many of our original founding corporate partners including M&S, B&Q Foundation, Cadent Gas, Heineken, Southern Co-op, RSA Insurance, Aldi and Lidl, in delivering bespoke and impactful grant programmes. In addition, we are also pleased to have facilitated major new grants programmes on behalf of Gallagher and Sainsbury's, amongst others. In total for this reporting period, the Foundation has made charitable payments of over £5.4 million, which is a 43% increase on the £3.7 million paid out in the previous financial year 21-22.



£5.4m

In total for this reporting period, the Foundation has made charitable payments of over £5.4 million

In December 2022, in response to the energy crisis and rising food prices, the Neighbourly Foundation launched its own 'Warm Communities' campaign to support communities most severely affected by the cost-of-living crisis. This campaign attracted donations from Southern Co-op and Radstock Co-op. The fund in 22-23 totalled £55,000 and was disbursed as £500 micro-grants to help small charities and good causes give targeted support to their beneficiaries.

Our community survey in June 2022 highlighted that 82% of local causes had faced a rise in demand for their services in the past 3 months and 95% believed the cost-of-living crisis was creating demand for their services from households that had not needed to access support before. The average number of people supported by the causes in our network has remained steadily high, rising from an average of 370 people per week in June 2022 to 390 in March 2023. Our network of charitable organisations stood at around 20,000 at the start of this reporting period and was around 25,000 12 months later. Our aim is to continue to grow and support this charity network and respond to its needs in line with the corporate funding that we are able to bring into the Foundation.

I would like to thank our trustees for their continued guidance and support, and to the Neighbourly team who provide the resources to ensure that targeted impact is delivered by the Foundation to areas of society most in need. Together with our network of donors, good causes and key partners, we're delighted that we have been able to grow our charitable donations so significantly, providing much needed support for our local communities and the frontline causes that operate within them.

Steve Butterworth
Chair of Trustees

Purpose and activities

The purpose of the Neighbourly Foundation is to support charities and good causes that improve the health and wellbeing of communities across the UK and Ireland.

The Foundation operates to provide grants to other charitable organisations, enabling our corporate partners to disburse both their own and their employee donations, and respond efficiently to critical need within local communities.

The Foundation provides corporate partners the option to make donations on a donor-advised basis, to be deployed as part of an emergency response or via joint partner campaigns that align with the Foundation's current social and environmental impact themes.



The Foundation is registered with the Fundraising Regulator and the ICO. The Trustees award grants to not-for-profit organisations based in the UK & Ireland that are either registered with the relevant charity regulator for their region or carry out community activities that are recognised as charitable. The Foundation may also consider proposals from charities that are established outside the UK and non-charitable organisations that are established either in the UK or elsewhere.

100% of all money donated is awarded to charity recipients and there are no minimum and maximum grant amounts. For donor-advised funds, the grant amounts are determined by the client donor. In the case of grants which are intended to be used for emergency aid or according to one of the Foundation's impact themes, funds are typically administered as micro-grants in the region of £500-£5,000 per charity applying, which allows the fund to minimise risk and extend impact.

The type of activity undertaken includes funding projects that address key impact areas:

- Emergency need, e.g. cost-of-living crisis
- Community Investment and Integration
- Health & Wellbeing
- Skills for the Future
- Stewardship of the Environment
- Resource Circularity
- Waste Reduction/ GHG Emissions

The Neighbourly Foundation disburses funds generated through several different financial donation mechanisms:

- Grant Management Programmes
- Employee Match Giving
- In-Store Fundraising
- Online Donations
- Text-to-Give Donations

100%
of all money donated is awarded to charity recipients



Aims and objectives

This report covers the third year of operations for the Foundation during which time its aims and objectives were focused on building the profile of the Foundation with corporate partners and disbursing funds according to clients' donation management programmes.

There remains an urgent need within communities for help and from businesses wanting a targeted response mechanism for supporting local good causes. The reporting period covers a challenging time with the war in Ukraine, the cost-of-living crisis and the ongoing impact of the pandemic creating significant demand on the network of good causes we support.





Aims for the reporting period

- Respond effectively to community need in relation to the cost-of-living crisis and economic impacts
- Build the profile of Neighbourly's donation management services with existing and prospective clients

The criteria and measures used to assess success in this period include:

- Funds donated against impact themes set by the Foundation and donor businesses
- Number and geographical location of charities and causes supported
- Estimated number of end-beneficiaries
- Speed of fund allocation according to individual programme goals
- Project-specific criteria, for example meals provided or number of people in isolation supported
- Feedback from recipient charities and groups on the social and environmental impact created, including quantitative and qualitative measures
- Programme / client specific KPIs

Successfully demonstrating our ability to respond to urgent needs, act flexibly and responsibly in support of the charity network, and report back on key impact measures has so far enabled the Foundation to further its purposes by engaging with additional corporate partners that understand the importance and value of building strong communities.

Longer-term, the Foundation aims to:

- Continue to respond effectively to community need, in relation to the cost-of-living crisis and other societal or environmental pressures, utilising experience and feedback gained in the reporting period
- Use community insights to inform the direction of corporate programmes
- Extend its reach and impact, working with additional corporate partners
- Grow the beneficiary network of small charities and community causes
- Work with Neighbourly on technology developments to further streamline grant application and payment processes
- Invite additional trustees to join the board



Vision and strategy

The vision of The Neighbourly Foundation is to improve the health and wellbeing of local communities and environments by encouraging and facilitating corporate community investment. The Foundation is governed by the charity trustees who have a duty to apply the Foundation's assets to advance its objectives and have ultimate responsibility for all grantmaking decisions.

The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly provides resources to the Foundation free of charge to support its charitable activities. The relationship between the two organisations is one of association and collaboration.

The Neighbourly Foundation's key priorities are to support charities and community causes that are:

Supporting elderly or vulnerable members of the community and those suffering economically, socially or from ill health as a result of the pandemic, cost of living crisis, global conflict or other macro forces

Supporting the health and wellbeing of individuals through programmes that reduce social isolation and deliver community cohesion, support with mental and physical health and improve access to healthy environments

Working to alleviate hunger, for example by providing food provisions and emergency supplies and supporting those campaigning to eliminate the root causes of poverty and the need for charitable food provision

Helping people to fulfil their potential and achieve aspirations through educational programmes and support to access jobs that provide financial independence

Improving environmental sustainability through the promotion and creation of green spaces, protection of natural habitats and local biodiversity, acceleration of a low carbon future and waste reduction programmes



2022-2023 highlights

£5.4m

A total of £5.4 million paid out in grants to charitable organisations and projects from April 2022 to March 2023.

43%

A 43% increase in charitable donations paid out, compared to the previous financial year from March 2021 to March 2022.

3,137

The number of distinct charities and community causes supported by donations from the Foundation.

£236k

Launch of donor-led grant programmes with new corporate partner Gallagher, with charitable payments totalling over £236,000.



1.2m

1.2 million people supported weekly by the charities that received donations.

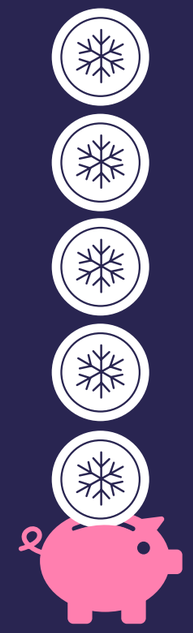
£500k

Launch of the Lidl Community Fund which paid out just under half a million pounds in its first year.



£80k

Launch of Neighbourly-led campaign 'Warm Communities' to support those affected by the cost-of-living crisis, donating a total of £80,000 as £500 micro-grants, with £55,000 distributed in 2022-23.



£1.6m

Ongoing partnership with the B&Q Foundation facilitated just under £1.6 million in donations to charities helping to improve poor housing and community spaces.



Achievements and performance



NEIGHBOURLY CAMPAIGN HIGHLIGHT

‘Warm Communities’ community fund

In the UK in autumn 2022, it was announced that there was a shortfall in measures to help the poorest tackle fuel poverty over the forthcoming winter. It was estimated that 7 million homes in the UK would experience severe fuel poverty, with health advocates warning that cold homes could exacerbate lung and breathing problems.

The Neighbourly charity network raised concern around the shortfall in support versus the increased need:

50%
were planning to provide “warm banks” over the winter – 23% for the first time

65%
had a seen a drop in financial donations

60%
had seen a drop in food donations

119%
The average energy bill for community charities was expected to rise by 119% (£7,600 pa to £16,700)

In response, the Neighbourly Foundation established a fund, designed to support community charities in its network that would be providing ‘warm banks’ and food donations to individuals that were struggling over the winter:

£80k
The fund attracted a donation from Southern Co-op and also utilised funds remaining from Neighbourly’s 2021-22 community fund, amounting to a total of £80,000, with £55,000 distributed in 2022-23.

£500
This was awarded as £500 micro-grants to 110 small charities and community groups.

44,000
Those organisations are estimated to support a combined total of 44,000 people every week.



Corporate client programmes

£218,800 was donated by Aldi as part of their 2022 Winter Fund and research grants.

Grants of £1,000 were given to charities and community groups partnered with an Aldi store for food surplus and that support families and children with access to food and daily essentials. The funding was designed to be used for the provision of food parcels and meals, or to build capacity within food banks and community food programmes.

"Receiving funding for food parcels is such an important part in the services we provide. It provides a lifeline for those facing hardship, reminding them that they are valued members of their community."

The Heart Charity

"The foodbank integrates with the many other services we freely offer to support our community."

The Storehouse Foodbank

£17,000 was donated by giffgaff as part of their emergency fund initiative in response to the cost-of-living crisis.

Through the giffgaff phone recycling program they raised £17,000 which was distributed as £1,000 grants to 17 community organisations.

"It is always a great challenge securing sufficient food to meet the demands which often change in reaction to welfare changes, employment or social issues like domestic violence, relationship issues, health issues and so on. The foodbank integrates with the many other services we freely offer to support our community."
The Storehouse Foodbank

£31,926 was donated to local charities through Coca-Cola's volunteering programme.

Up to £500 per volunteer event was donated to support the programme, with focus areas including carbon reduction, environment and water conservation, litter and recycling. A separate volunteer campaign focused on supporting under-represented groups as well as inclusion, diversity and equity.

"We realised quite quickly that developing a volunteering partnership with corporate volunteers provides huge benefits to both the community and the volunteers."
East Haven Together



"£1,000 will pay for a light projector and seating for our sensory room — it will mean the world to us."

Autism in Motion Liverpool

M&S
EST. 1884

£1,000,000 was donated through 'Gifts that Give', M&S' home and clothing Christmas campaign for 2022.

M&S teamed up with Neighbourly to donate £1 million across 1,000 charities and community groups throughout England, Scotland, Ireland, Northern Ireland and Wales. Through the campaign, the gifts M&S customers bought went towards supporting community causes and families in their area, each with their own inspiring and unique story.

"£1,000 will pay for a light projector and seating for our sensory room — it will mean the world to us."
Autism in Motion Liverpool

Cadent
Your Gas Network

£47,673 was donated to charities and community groups through Cadent's matched giving initiative and volunteering programmes.

Up to £400 in matched funds was offered to any charities supported by Cadent employees through fundraising or personal donations. Up to £200 was offered as a donation to the organisations that Cadent employees volunteered for throughout the year.

"Thank you, from the bottom of our hearts, for all of your kindness and support but the biggest thank you comes from the little girl whose wish you have helped to come true."
Wishes 4 Kids — Cadent matched giving recipient





LIDL

£492,236 was donated by Lidl through their Community Fund, newly launched in 2022.

A quarterly recurring fund was made available to good causes partnered with Lidl which are helping to alleviate food poverty. The fund provided financial support for emergency food provision alongside grants to support larger, capacity-building initiatives. Grants ranged from £200 to £5,000.

"These small grants are incredibly important to the funding of community groups. They make the difference on a month to month basis as the numbers of people seeking help increase and the funding available remains relatively static. We do everything we can to raise funds as a community - we have a small charity shop, we hold charity events, craft sales, online sales of donated clothing and household goods. Granting us £500 to support our group is a pat on the back for our volunteers, an acknowledgement that the work they do is worthwhile and valued by the wider community, not just those who use our services."
Devonport, Stoke & Stonehouse Help A Neighbour

M&G

£4,760 was donated by M&G as part of their Breaking Barriers Building Futures campaign.

Financial donations of £20 per volunteer were offered alongside volunteering activities to help pay for resources and staff time. Good causes were selected based on proximity to M&G office locations.

"About 27 volunteers from M&G and Freshfields joined us to distribute meal packs, clothes, toiletries, bags, blankets and food bank supplies to homeless people, refugees and the elderly in central London. We had an impactful programme that benefitted many disadvantaged members of the community who attended the event."
Refuge Network UK



"The funding supported our team of Clinical Psychologists to deliver training and clinical support to educational and community settings."

Innovating Minds CIC

£29,312 was donated by Heineken as part of their match funding, volunteering and winter food bank fund campaigns.

Employees were match-funded by Heineken, up to a maximum of £200 per individual application and up to £500 for team applications. Through their winter fund, £200 donations were made to food banks near to their breweries in Edinburgh, Manchester, Tadcaster, Herefordshire and London.

£12,000 was donated by Certas Energy as part of their 'Making a Difference' campaign.

Certas aims to invest 1% of their profits into community projects across the UK, to create a culture of community service and good partnerships with local non-profits and charities. Funding is open to registered charities to apply for a grant of up to £1,500.



£416,115 was donated by Southern Co-op through a number of campaigns including their local funding scheme focused on safer, greener, healthier and more inclusive neighbourhoods, Love Your Neighbourhood Local Partnerships campaign and Food Bank campaign.

Good causes across the South of England were able to apply for grants up to £500 as part of the local funding campaign and up to £1,000 for the local partnerships. Grants for food banks ranged between £500 and £950. Grants of between £5,000 and £8,000 were made available across Portsmouth, Southampton, Bristol, Bournemouth and South London to help tackle the causes of crime faced by their businesses; reducing offending in the communities in which they operate and the impact of crime on colleagues and customers.

"The funding supported our team of Clinical Psychologists to deliver training and clinical support to educational and community settings. This opens up access to early help, creating mentally healthy environments that have sustainable impact."
Innovating Minds CIC

£60,178 was donated by RSA Insurance via their match funding and volunteering programmes. RSA supports employees' fundraising efforts by matching what they raise, up to a maximum of £200 per individual application and up to £500 for team applications.

£25 per person, per event was also donated as part of their volunteer activity.

"Huge thanks to RSA Group and Neighbourly for the grant the Breck Foundation has received. This grant will enable us to educate children and young people in South-East England about online grooming and exploitation."
The Breck Foundation



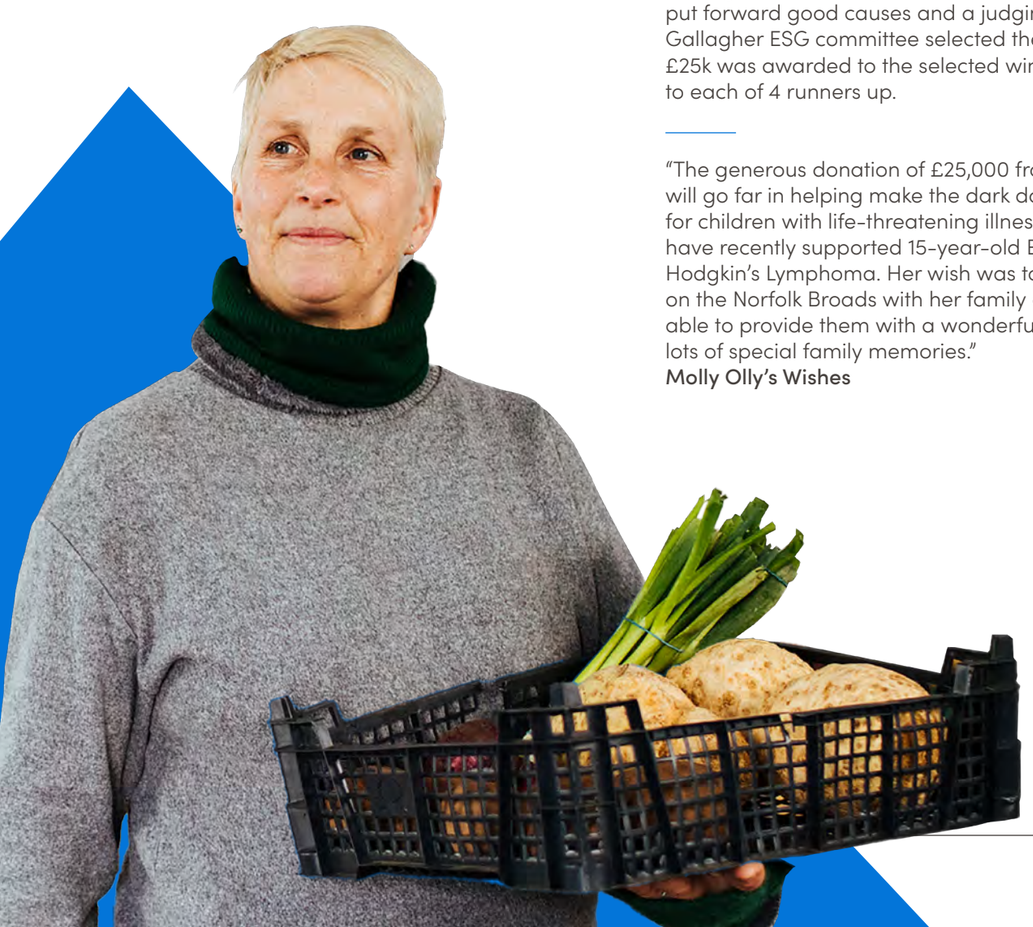
"The generous donation of £25,000 from Gallagher will go far in helping make the dark days brighter for children with life-threatening illnesses."

Molly Olly's Wishes

William Hill

£5,945 was donated to charities as part of William Hill's volunteering programme.

Donations were made to the organisations that employees volunteered for, specifically ones linked with the campaign themes of environment, wellbeing and sport.



Gallagher

£236,296 was paid out to charities and community organisations through Gallagher's community fund, volunteering and match giving programmes.

Gallagher's community fund allows employees to nominate good causes they are passionate about to receive donations, with £500 donated for individual nominations and £2000 for team nominations. Through their 'Making A Difference Award' employees put forward good causes and a judging panel of Gallagher ESG committee selected the top 5 causes. £25k was awarded to the selected winner and £5k to each of 4 runners up.

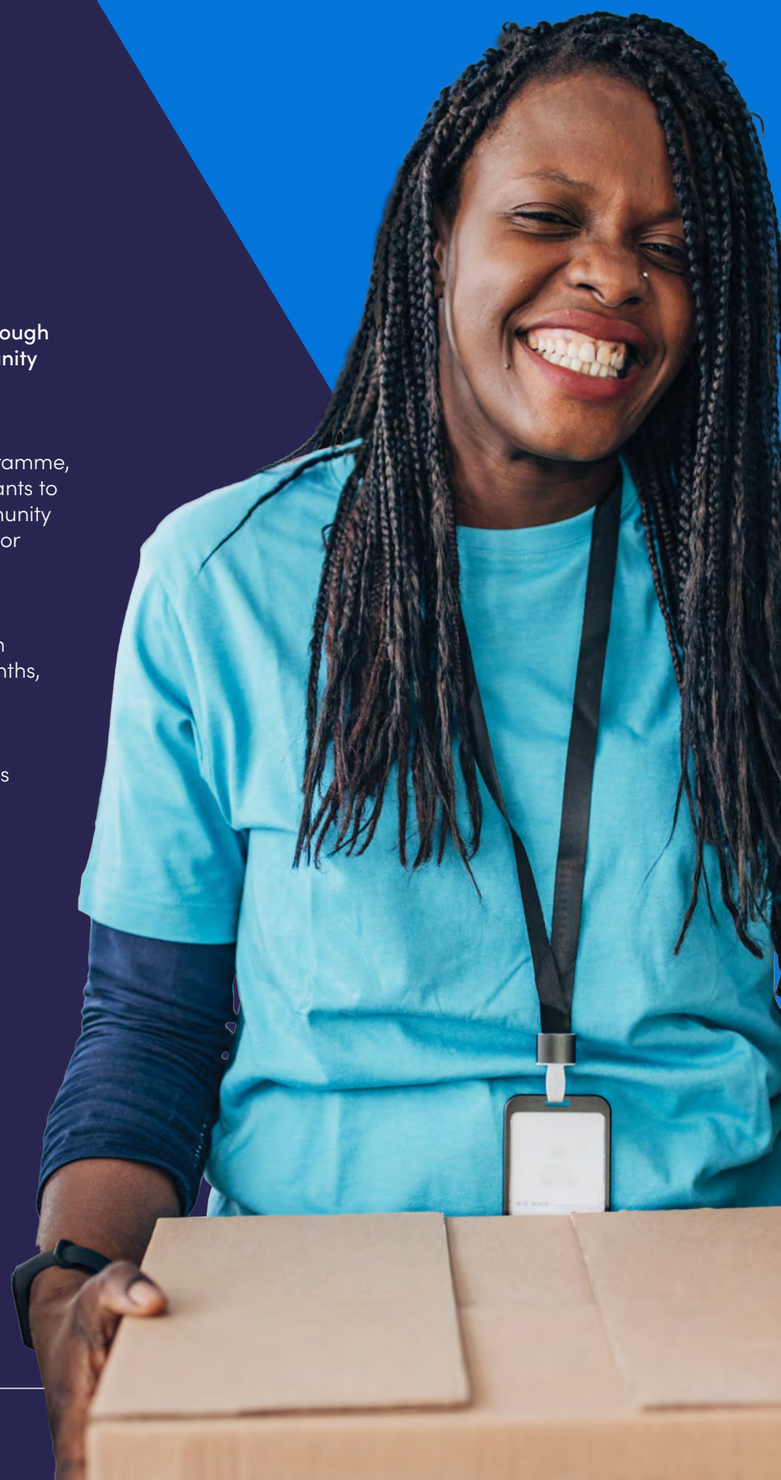
"The generous donation of £25,000 from Gallagher will go far in helping make the dark days brighter for children with life-threatening illnesses. We have recently supported 15-year-old Evie who has Hodgkin's Lymphoma. Her wish was to have a day out on the Norfolk Broads with her family and we were able to provide them with a wonderful day, making lots of special family memories."
Molly Olly's Wishes

Sainsbury's

£1,120,950 was donated by Sainsbury's through their 'Helping Everyone Eat Better' community grants programme and funds remaining from their Christmas 2021 campaign.

For the 'Helping Everyone Eat Better' Programme, funds were donated as minimum £500 grants to store-nominated charities, CICs and community groups that help people access food, and/or help lift people out of food poverty.

"The cost of living crisis remains very real in our communities and over the last few months, we've been able to alleviate pressure from parents by facilitating breakfast clubs at our hub. We have purchased food, lunch packs and in doing so have given hundreds of children a better start to their day and removed a potential barrier to their education. We have also been running community cafes at Foodstock so people who are living in isolation can come together, keep warm and get some food too. It has been a fantastic success which has benefited so many people in the community. We are forever grateful for this grant."
Foodstock





Corporate partners

We'd like to thank the Foundation's corporate partners for their contributions during this period. Due to their support and continued dedication to community investment, the Neighbourly Foundation was able to positively impact many thousands of charities and millions of individuals.

Companies that donated to charities through the Neighbourly Foundation in this reporting period:

- Aldi
- B&Q Foundation
- Cadent Gas
- Certas Energy
- Coca-Cola European Partners
- Gallagher UK
- giffgaff
- Heineken
- Johnson Matthey
- Lidl
- M&G
- M&S
- RSA Insurance
- Sainsbury's
- Southern Co-op
- William Hill

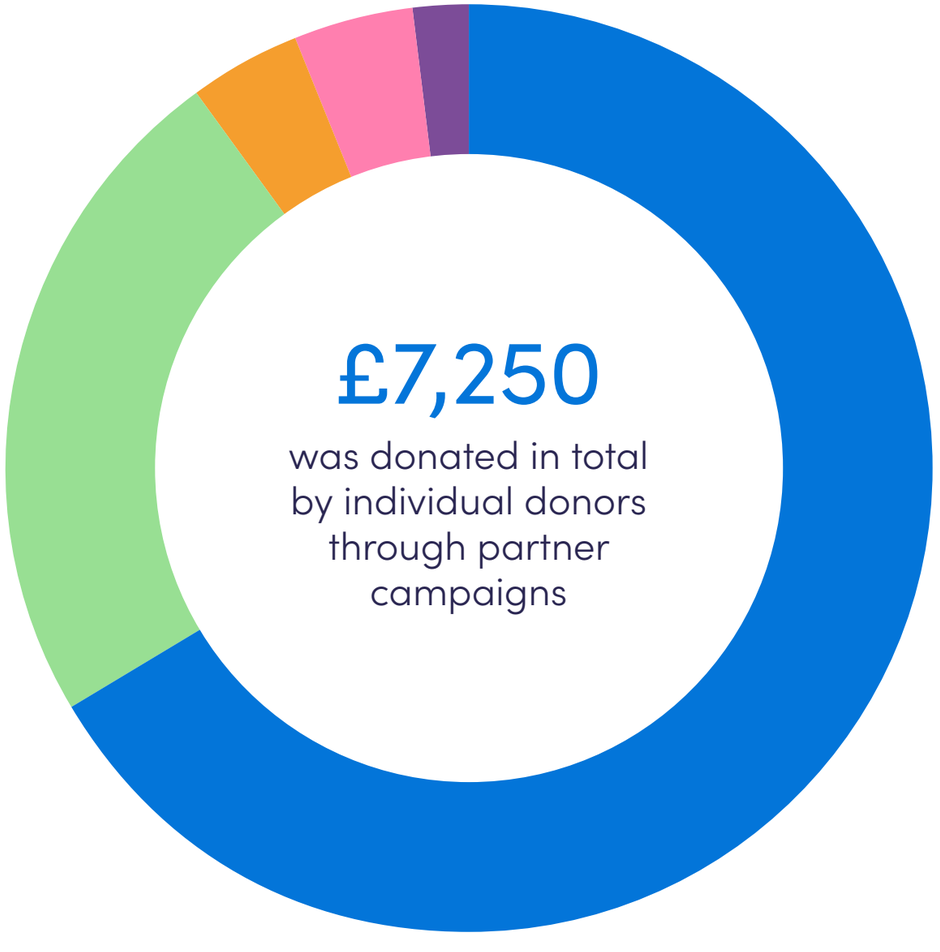


Individual donors

In the 2022-23 period, a number of partner campaigns facilitated donations direct from customers, through online payments made on the Neighbourly platform.

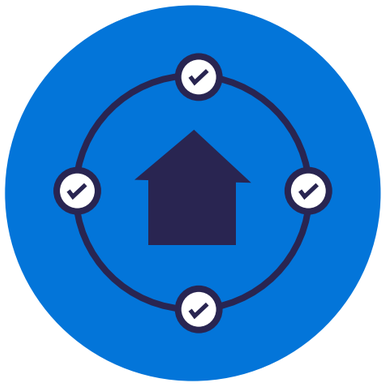
£7,250 was donated in total by individual donors through partner campaigns, which breaks down as follows:

- £4,832 from Aldi campaigns
- £1,698 from Neighbourly's Community Fund and Warm Communities Fund
- £295 from Neighbourly Ltd as employee match funding for Ukraine Red Cross campaign
- £295 from Heineken campaigns
- £130 from Lidl campaigns



Trusts and foundations

B&Q Foundation
In 2022-23, the B&Q Foundation donated £1,596,704 through the Neighbourly Foundation to charities that meet the mission of B&Q Foundation; helping everyone to have a space where they feel at home.



£5,000

The grants, typically up to around £5,000 but with some larger ones awarded, were focused on support for projects which provide, maintain, repair or improve housing or community space.



138,000

A total of 356 charities were supported with the grants, which collectively support over 138,000 people each week.

"This is an incredible gift. Thanks to the B&Q Foundation we can continue to transform the lives of children aged 0-5 with special educational needs and disabilities and their families at this particularly challenging time."

The Peter Pan Centre for Children with Special Needs



Charity partners

Donations have been made to charities through the following programmes:

Programme	Good causes supported
Aldi	244
B&Q Foundation	356
Cadent Gas	80
Certas Energy	3
Coca-Cola European Partners	37
Gallagher UK	171
giffgaff	17
Heineken	47
Johnson Matthey	1
Lidl	407
M&G	5
M&S	1,000
RSA Insurance	87
Sainsbury's	1,241
Southern Co-op	322
William Hill	14
Neighbourly 'Warm Communities' Fund	110
Neighbourly 'Seeds of Change' Fund	65

3,137

unique charities and community causes were supported across all programmes that help an average of 390 people every week (*figure from March 2023 community survey)

1.2m

people supported weekly by the charities that have received donations from the Foundation.



Sustainable Development Goals supported by The Foundation:



Sustainable Development Goal	Goal total (£)	% by SDG
Good health and wellbeing	£1,833,146	34%
Zero hunger	£1,338,814	25%
No poverty	£897,692	17%
Quality education	£379,331	7%
Reduced inequalities	£338,136	6%
Sustainable cities and communities	£233,434	4%
Life on Land	£80,672	2%
Climate action	£54,926	1%
Gender equality	£51,493	1%
Other (under 1%)	£176,792	3%
Grand total	**£5,384,437**	**100%**

Grants are made based on completion of an online application form, which minimises the time it takes for a charity to apply, compared with traditional methods of completing and submitting paper forms. Grant awards are made based on qualifiers against the grant terms and are either made on a first come first served basis, or are awarded based on donor-advised selection or employee nomination. All recipient charities are strictly vetted by our partner Neighbourly Ltd prior to any award being made.



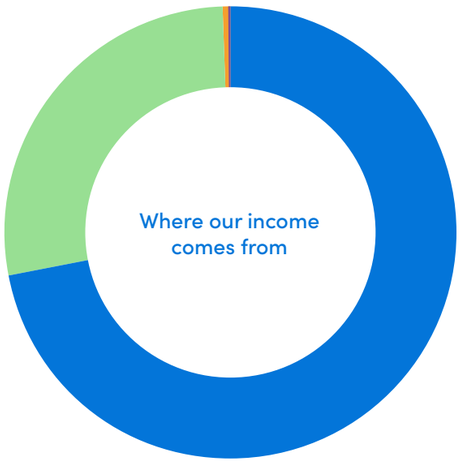
Our commitment to donors and supporters

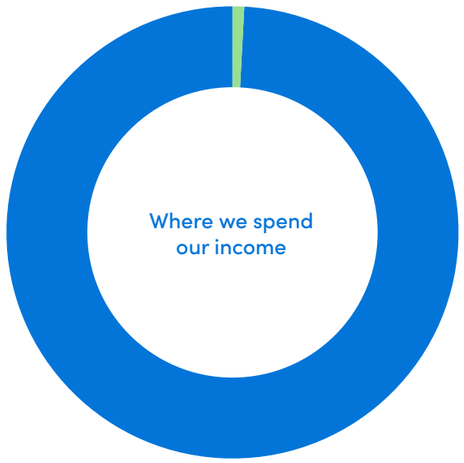
We are grateful for the generosity of our donors and supporters and we commit to:

- Safeguard personal details and abide by data protection laws
- Work closely with the Foundation's charity and community cause network to ensure that donations are used for the purpose for which they are given
- Distribute donations to achieve maximum impact according to the aims of the funding
- Provide impact reports on the social and environmental benefits of the donations
- Be open and transparent about vetting and distribution processes and procedures
- Encourage feedback and foster close relationships
- Provide the services of a dedicated support team

Financial review 2022-23

During this reporting period the Neighbourly Foundation received £5.8m of restricted funding and donated £5.4m in grants to charitable organisations.





All of our income has come from charitable donations, either from the Foundation's corporate partners, trusts and foundations, individual donors or Neighbourly Ltd. All donations are treated as restricted with the exception of Neighbourly Ltd, whose donation is to support running costs of the charity.

The donations are split across the categories as follows:

- Corporate Donations — £4,167,096 (72%)
- Trusts and Foundations — £1,596,790 (27.6%)
- Individual donations — £7,250 (0.1%)
- Neighbourly Ltd — £16,322 (0.3%)

Our sole activity is granting funds to other charitable organisations and projects, therefore this accounts for 99% of our spend. Any administrative costs, for example audit fees, insurance etc, are covered by donations from Neighbourly Ltd.

Expenditure is split as follows:

- Grants to charitable organisations and projects — £5,384,217 (99%)
- Administrative costs — £18,347 (1%)

Reserves



The majority of cash at bank is restricted with only a small balance being unrestricted. Grants are then made to charitable organisations from balances held on behalf of corporate and other donors. Unrestricted funds are held to cover the running costs of the charity including, for example, audit fees and insurance.

Under the Strategic Partnership Agreement with Neighbourly Ltd, all resources to enable the charity to operate e.g. access to the Neighbourly platform and staff costs, are provided free of charge. The trustees have concluded that it is necessary to maintain only minimal reserves to cover the running costs of The Neighbourly Foundation and at any time sufficient reserves are held to cover three months of committed expenditure.

At the period end the charity had total reserves of £1,168k with restricted reserves of £1,158k and unrestricted reserves of £10k. The restricted reserves are not available for general purposes of the charity and are to be donated to other charitable organisations in the next period.

Going concern

The trustees have a reasonable expectation that The Neighbourly Foundation has adequate resources through its partnership with Neighbourly Ltd to continue to operate for the foreseeable future. Hence the annual financial statements have been prepared on the going concern basis. Please refer to the Notes to the Financial Statements for further detail.



Principal risks and uncertainties

Foundation is operating in a challenging environment due to a number of factors. The ongoing impacts of the cost-of-living crisis are creating a strain on both businesses and the charitable sector, as well as long-term financial and health implications for beneficiaries.

Charities and community organisations are facing uncertainties, reduced funding and resources, increased costs and reduced volunteer capacity. The UK is also facing ongoing upheaval as a result of the war in Ukraine and high energy costs which are plunging more families into poverty. An additional threat for communities is climate related disasters, including flooding.

The Neighbourly Foundation has been proactive in providing guidance to its network of causes regarding the management of risks whilst continuing to survey causes periodically to ensure we remain responsive to changing needs. Neighbourly continues to expand its number of corporate partners donating through the Foundation in order to provide relevant support for local good causes and communities.



Structure, governance and management

The Neighbourly Foundation is a company limited by guarantee (12541286) (England and Wales) incorporated 31 March 2020 and is registered with the Charity Commission as a charity (1189514). It is governed by its Memorandum and Articles of Association adopted on the same date.

Objects

The Objects of the Foundation as set out in the Memorandum and Articles of Association. The Foundation has been established to advance general charitable purposes for the public benefit and will operate principally by granting funds to charitable organisations and projects which are charitable under the law of England and Wales (provided that the Charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).

Organisation

The charity was established on 31 March 2020 as a company limited by guarantee, with Neighbourly Ltd as its sole member. Further to a Special Resolution of 26 February 2021 the membership was transferred from Neighbourly Ltd to Howard Russell one of its Trustees, and further to a Resolution of 13 September 2021, to all Trustees from time to time. The liability of each member under the guarantee is £1.
The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly has agreed to provide Resources to the Foundation free of charge for the Foundation to pursue its charitable purposes. The relationship between the two organisations is one of association and collaboration and not one involving direction or control. Neighbourly Ltd recognises and understands that the Trustees have responsibility for governing the Foundation and does not interfere in the day to day running of the Foundation. Neighbourly does not act in any way that prejudices the independent decision-making of the Trustees or which inhibits the Trustees' ability to fulfil their charity law duties.

The Articles contain a conflict of interest provision to ensure that Neighbourly Connected Directors cannot participate in any decision making that the Trustees recognised as Independent Directors consider relates to the relationship between the Neighbourly Foundation and Neighbourly.

Board meetings are held quarterly, some of which during the reporting period have been held remotely.



Related parties

Steve Butterworth acts as the Chair of the charity and is also the CEO of Neighbourly Ltd. Chris Kelly is non-executive Director of Neighbourly Ltd. Both own shares in that company.

Remuneration

None of our trustees receive remuneration or other benefit from their work with the charity.

Recruitment of Trustees

The charity ended the year with four Trustees supporting the charity. As the charity grows it will aim to recruit additional trustees who have the skills the charity needs to develop. It values the benefits of having members with different backgrounds, expertise and experience.

Trustee induction and training

All new trustees will undertake an induction programme, which includes visiting our partner Neighbourly, understanding the roles and duties of the trustees, company and charity law and governance, and financial and risk management.

Risk management

The trustees are cognisant of the reliance that the Foundation has on its partnership with Neighbourly. The trustees regularly seek assurances that that support remains in place and will do so for the foreseeable future.

Public Benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities. The Neighbourly Foundation's focus on crisis recovery, community health and wellbeing, skills development and environmental stewardship, working in partnership with local charities and community groups, will have a direct and positive benefit on individuals that are isolated, marginalised or vulnerable and those living in deprived neighbourhoods.

Fundraising Standards

The Trustees are aware of current legislation and updated guidance from the Charity Commission. We are a fully contributing member to the Fundraising Regulator and follow best practice in our fundraising. We are compliant with the regulation where it applies to us. We do not contract with third party fundraising organisations.



Steve Butterworth (Chair)
3 November 2023



Our charity details

Charity name
The Neighbourly Foundation

Registered charity number
1189514 (England and Wales)

Registered company number
12541286 (England and Wales)

Trustees and Directors
Steve Butterworth (Chair of Trustees)
Chris Kelly
Howard Russell
Nicholas Smailes

Registered office
Engine Shed,
Station Approach, Redcliffe,
Bristol BS1 6QH

Bankers
Lloyds Bank, 3rd Floor,
25 Gresham Street,
London, EC2V 7HN



Legal advisers
Bates Wells,
100 Queen Street Place,
London, EC4R 1BE

Auditors
Bishop Fleming LLP, 10 Temple Back,
Bristol, BS1 6FL

Statements of trustees responsibilities

The charity trustees (who are also the directors of the Neighbourly Foundation for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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



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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

Steve Butterworth (Chair)
3 November 2023

Independent auditors report

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial period for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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 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; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and Trustees in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

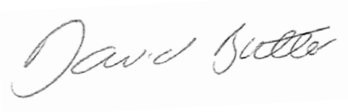
We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the trustees 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 trustees those matters we are required to state to them in an Auditors' 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 trustees for our audit work, for this report, or for the opinions we have formed.



David Butler FCA DChA
(Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol BS1 6FL

3 November 2023



Financial statements

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). Since the Charity qualifies as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report). Regulations 2013 has been omitted.



Statement of financial activities for the year ended 31 March 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Income from:					
Donations and legacies	2	16	5,771	5,787	3,994
Other income	3	2	0	2	0
Total		**18**	**5,771**	**5,789**	**3,994**
Expenditure on:					
Charitable activities	5	18	5,384	5,402	3,784
Total		**18**	**5,384**	**5,402**	**3,784**
Net income/(expenditure)		0	387	387	210
Reconciliation of funds:					
Total funds brought forward		10	771	781	571
Net movement		0	387	387	210
Total funds carried forward		**10**	**1,158**	**1,168**	**781**

The Statement of Financial Activities includes all gains and losses recognised in the period.
The notes on pages 44 to 51 form part of these financial statements.

Balance sheet at 31 March 2023

	Notes	2023 £'000	2022 £'000
Current assets			
Debtors	10	276	165
Cash at bank		905	631
Total		**1,181**	**796**
Creditors			
Amounts falling due within one year	11	(14)	(15)
Net current assets/(liabilities)		1,167	781
Total assets less current liabilities		1,167	781
Net assets		**1,167**	**781**
Total net assets		**1,167**	**781**
Charity funds			
Restricted funds	12	1,157	771
Unrestricted funds	12	10	10
Total funds		**1,167**	**781**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Steve Butterworth
Chair of Trustees
3 November 2023

The notes on pages 44 to 51 form part of these financial statements.

Cashflow statement for the year ended 31 March 2023

	2023 £'000	2022 £'000
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities	274	62
Change in cash and cash equivalents in the reporting period	274	62
Cash and cash equivalents at the beginning of the period	631	569
Cash and cash equivalents at the end of the period	**905**	**631**

Reconciliation of net income to net cash flow

	2023 £'000	2022 £'000
Net income for the period	**387**	**210**
Adjustments for:		
Increase in debtors	(111)	(149)
Decrease in creditors	(2)	1
Net cash provided by operating activities	**274**	**62**

Notes to the financial statements

General Information

The Neighbourly Foundation is a charitable company limited by guarantee and not having a share capital, registered in England and Wales. The registered office is Engine Shed, Station Approach, Bristol, BS1 6QH. The members of the charity are the Trustees named below:

Steve Butterworth
Chris Kelly
Howard Russell
Nicholas Smailes

1. Accounting policies

Basis of preparation of financial statements
The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Neighbourly Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Going concern

The accounts have been prepared on a going concern basis which assumes that sufficient working capital will be available for operational requirements.

To conclude on this basis the trustees reviewed the cash flow forecast to October 2024 (12 months from the date of signing). As ongoing funding from Neighbourly Ltd is also key in our considerations, the budget and cash flow forecasts of the company were also reviewed. No material uncertainties were identified.

Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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

All expenditure is inclusive of irrecoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

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

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.
Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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 which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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



2. Income from donations and legacies

	2023 £'000	2022 £'000
Restricted — Donations	5,771	3,967
Unrestricted — Donations	16	27
Total	**5,787**	**3,994**

3. Other incoming resources

	2023 £'000	2022 £'000
Income from participating interests - Unrestricted	**16**	**27**

4. Analysis of grants

	2023 £'000	2022 £'000
Grants to Institutions	**5,384**	**3,761**

The Neighbourly Foundation provides micro-grants to support good causes in line with the charitable objectives. Further analysis can be found under the 'Charity Partners' heading earlier in this report.

5. Analysis of expenditure on charitable activities

	2023 £'000	2022 £'000
Unrestricted funds	18	23
Restricted funds	5,384	3,761
Total	**5,402**	**3,784**

6. Allocation of support costs

Support costs of £18,000 are allocated to charitable activities. These costs include Marketing costs (£1,000), audit and accountancy fees (£12,950), bank fees (£1,000) and insurance (£2,500). All other support costs are borne directly by Neighbourly Limited and are not recharged to The Neighbourly Foundation as it is not possible for the allocation to be accurately determined.



7. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £10,750, and preparation of accounts of £2,200.

8. Staff costs

Staff costs are borne wholly by Neighbourly Limited and not recharged to The Neighbourly Foundation.

9. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 March 2023, no Trustee expenses have been incurred.

10. Debtors

	2023 £'000	2022 £'000
Due within one year		
Trade debtors	266	155
Amounts owed by participating interests	10	10
Total	**276**	**165**

11. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Other creditors	0	0
Accruals and deferred income	14	15
Total	**14**	**15**

12. Statement of funds

Statement of funds (current period)	Opening balance at 1 April 2022	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2023 £'000
Unrestricted funds					
Income from participating interests	10	18	(18)		10
Restricted funds					
B&Q	45	1,597	(1,597)	-	45
M&S	-	1,000	(1,000)	-	-
Cadent	24	50	(48)	-	26
Lidl	125	743	(492)	-	376
RSA	45	80	(60)	-	65
Sainsbury's	274	1,090	(1,121)	-	243
Southern Co-op	35	439	(416)	(25)	33
Aldi	28	258	(219)	-	67
Gallagher	50	300	(236)	-	114
Certas	-	86	(12)	-	74
Coca-cola	25	50	(32)	-	43
Good health & well-being	47	22	(38)	-	31
Climate Change	11	-	-	-	11
Reduced inequalities	16	1	(17)	-	-
Volunteering support	-	12	(8)	-	4
Community fund - SOC	24	-	(26)	2	-
Community fund - COVID19	22	17	(7)	(32)	-
Community fund - Warm Communities	-	26	(55)	55	26
	771	5,771	(5,384)	0	1,158
Total of funds	**781**	**5,789**	**(5,402)**	**0**	**1,168**

Statement of funds (prior period)	Opening balance at 1 April 2021	Income £'000	Expenditure £'000	Transfers in/ out £'000	Balance at 31 March 2022 £'000
Unrestricted funds					
Income from participating interests	6	27	(23)		10
Restricted funds					
B&Q	0	1,466	(1,421)	-	45
Cadent	6	113	(95)	-	24
Lidl	5	125	-	(5)	125
RSA	29	315	(298)	(2)	44
Sainsbury's	-	1,238	(963)	-	275
Southern Co-op	100	114	(162)	(17)	35
Aldi	301	-	(273)	-	28
VM02	-	400	(400)	-	0
Good health & well-being	31	20	(12)	8	47
Climate Change	11	-	-	-	11
Reduced inequalities	1	19	(4)	-	16
Volunteering support	0	75	0	0	75
Community fund - SOC	-	66	(74)	32	24
Community fund - COVID19	81	16	(59)	(16)	22
	565	3,967	(3,761)	0	771
Total of funds	**571**	**3,994**	**(3,784)**	**0**	**781**

B&Q: These funds were allocated to support projects that are improving, maintaining, providing or creating places to make people feel comfortable, safe and welcome.

M&S: These funds were restricted to charities and community groups that met the specific criteria of the Christmas Clothing & Home campaign, including supporting families and proximity to M&S stores.

Cadent: These funds were donated to charities and community groups through Cadent's employee-led matched giving initiative and volunteering programmes.

Lidl: This community fund is a quarterly recurring fund made available to good causes partnered with Lidl which are helping to alleviate food poverty.

RSA: These funds were donated to charities and community groups through RSA's employee-led matched giving initiative and volunteering programmes.

Sainsbury's: These funds were donated to store-nominated charities, CICs and community groups that help people to access food, and/or help lift people out of food poverty.

Southern Co-op: These funds were allocated to good causes located across the South of England through various campaigns including their local funding scheme, Love Your Neighbourhood Local Partnerships campaign and Food Bank campaign.

Aldi: These funds were allocated to charities and community groups partnered with an Aldi store for food surplus and that support families and children with access to food and daily essentials.

Gallagher: These funds were paid out to charities and community organisations through Gallagher's employee-nominated community fund, volunteering and match giving programmes.

Certas: Funding was open to registered charities to apply for grants as part of their 'Making a Difference' campaign.

Coca-cola: These funds were donated as part of volunteer events to support projects focusing on carbon reduction, environment and water conservation, litter and recycling.

Warm Communities Fund: These funds were restricted to support charities that help local communities affected by the cost-of-living crisis.

We also have a number of smaller funds that overall support the following UN SDGs; Good Health & Wellbeing; Climate Change; Reduced Inequalities.

13. Summary of funds

Summary of funds (current period)	Opening balance at 1 April 2022	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2023 £'000
General funds	10	18	(18)	-	10
Restricted funds	771	5,771	(5,384)	0	1,158
Total	**781**	**5,789**	**(5,402)**	**-**	**1,168**

Summary of funds (prior period)	Opening balance at 1 April 2021	Income £'000	Expenditure £'000	Transfers in/out £'000	Balance at 31 March 2022 £'000
General funds	6	27	(23)		10
Restricted funds	565	3,967	(3,761)	0	771
Total	**571**	**3,994**	**(3,784)**	**-**	**781**

14. Analysis of net assets between funds — current period

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Current assets	21	1,160	1,181	796
Creditors due within one year	(14)	-	(14)	(15)
Total	**7**	**1,160**	**1,167**	**781**

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £'000	2022 £'000
Net income for the period (as per SOFA)	387	210
Adjustments for:		
Decrease/(increase) in debtors	(111)	(149)
Increase in creditors	(2)	1
Net cash provided by operating activities	**274**	**62**

16. Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	905	631
Total cash and cash equivalents	**905**	**631**

17. Analysis of changes in net debt

	Cash flows £'000	2023 £'000	2022 £'000
Cash at bank and in hand	905	905	631

18. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

19. Related party transactions

The Neighbourly Foundation has not entered into any related party transaction during the period, nor are there any outstanding balances owing between related parties and The Neighbourly Foundation at 31 March 2023.

Trustees remuneration and expenses is detailed in note 9.

20. Controlling party

There is no registrable person or registrable relevant legal entity at the date of signing.





The Neighbourly Foundation
Trustees Report and Financial Statements
For the year ended 31 March 2023

THE NEIGHBOURLY FOUNDATION

England & Wales - Charity number 1189514

Accounts



The Neighbourly Foundation

Trustees Report and Financial Statements

neighbourly

For the year ended 31 March 2022

Contents

About the Neighbourly Foundation	04
Report from the Chair of Trustees	05
Purpose and activities	06
Aims and objectives	08
Vision and strategy	10
2021-2022 highlights	12
Achievements and performance	14
Corporate partners	22
Individual donors	23
Trusts and Foundations	24
Charity partners	26
Our commitment to donors and supporters	27
Financial review 2021-22	28
Principal risks and uncertainties	30
Structure governance and management	31
Our charity details	33
Statements of Trustees responsibilities	34
Independent Auditors report	35
Financial statements	38
Statement of financial activities for the year ended 31 March 2022	39
Balance sheet at 31 March 2022	40
Cashflow statement for the year ended 31 March 2022	41
Reconciliation of net income to net cash flow	41
Notes to the Financial Statements	42

TRUSTEE REPORT

About Us

The Neighbourly Foundation (charity no. 1189514) is an independent foundation which collaborates closely with Neighbourly Limited, the award-winning giving platform that helps businesses make a **positive impact** by donating volunteer time, money and surplus products to local communities.

The Foundation was established as a charity to advance general charitable purposes and operates to grant funds to other charitable organisations and projects. It was set up in response to the COVID-19 pandemic in 2020 to provide easier access to funding for our network of over 21,000 good causes, that support people in need and look after the health and wellbeing of communities across the UK & Ireland. The Foundation provides the route for its corporate partners to ensure funds are delivered efficiently and at scale to pre-vetted local causes that deliver against specific social and environmental impact themes.



21,000

Neighbourly connects businesses with over **21,000** vetted local good causes across the UK and Ireland.

Report from the Chair of Trustees

We launched the Foundation at the start of the COVID-19 pandemic in 2020, at a time of unprecedented strain for communities across the country. During the first year we were focused on establishing solid foundations for the charity, whilst supporting our clients and our network of local charities and community organisations through a period of great uncertainty and challenge.

Our second year has been about building on those foundations and growing the profile of the Neighbourly Foundation. We have continued to respond to the impact of the pandemic and the growing desire of corporate partners that want to deliver targeted, fast-response and scalable donation management programmes into the local communities where they operate.

In the financial year 2021-22, we supported many of our founding corporate partners including M&S, the B&Q Foundation, Cadent Gas, Heineken, Southern Co-op, RSA Insurance, Aldi and giffgaff, delivering bespoke and impactful grant programmes. In addition, we are also delighted to have facilitated major new grants programmes on behalf of Virgin Media O2 and Sainsbury's. In total for this reporting period, the Foundation has made charitable payments of over £3.7 million, which is a 65% increase on the £2.2 million paid out in our first 13 months of operations.

In 2021, the Neighbourly Foundation launched its first environmental programme, 'Seeds of Change', to coincide with the COP26 conference in Glasgow. This programme brought together financial support from Southern Co-op and RSA Insurance.

On behalf of the Board of Trustees of the Neighbourly Foundation, I'm pleased to present our annual report for 2021-2022, which covers the charity's second year of operations.

The fund subsequently totalled just under £75,000 and was disbursed as micro-grants to help small charities and good causes have a bigger positive environmental impact for local communities.

At the start of 2022, amid much political and social conversation about the urgent need to build back better and level up, the country entered a new period of challenge with the onset of the cost of living crisis and the outbreak of war in Ukraine. Inflation reached a 40 year high and projections suggested it could hit 15% by the start of 2023, with warnings of 'pain ahead'.

What this means for the network of local charities and good causes that the Foundation supports is a further rise in demand for support from hard-hit communities that are suffering from a new wave of poverty issues, access to food and mental health challenges. Our community survey in June 2022 highlighted that 82% of local causes had faced a rise in demand for their services in the past 3 months and 95% believe the cost of living crisis is creating demand for their services from households that have not needed to access support before. At the end of April 2021 our network of charitable organisations stood at around 16,000. 12 months later it was nearing 20,000 and will be closer to 25,000 by the end of 2022. Our aim is to continue to grow and support this charity network and respond to its needs, in line with the corporate funding that we are able to bring into the Foundation.

I would like to thank our trustees for their continued guidance and support, and to the Neighbourly team who provide the resources to ensure that targeted impact is delivered by the Foundation to areas of society most in need. Together with our network of donors, good causes and key partners, we are delighted that we have been able to grow our charitable donations so significantly in our second year of operations, providing much needed support for our local communities and the frontline causes that operate within them.

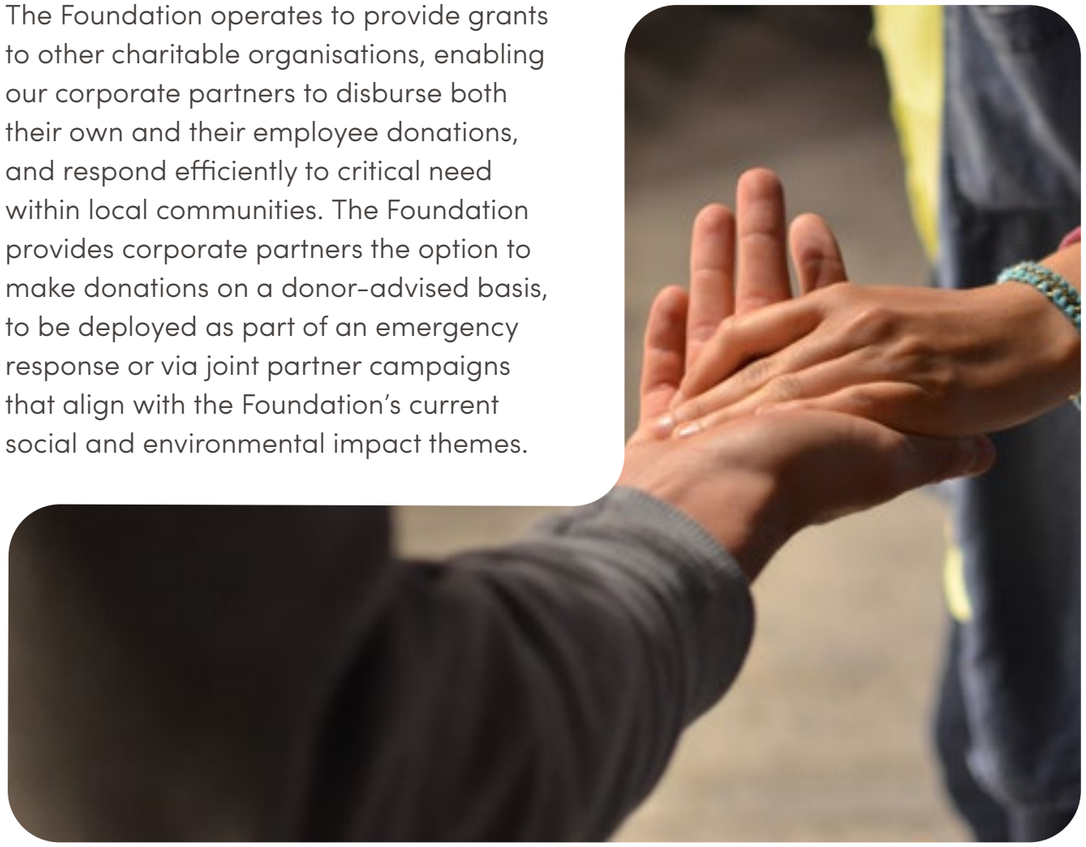


Steve Butterworth
Chair of Trustees

Purpose & activities

The purpose of the Neighbourly Foundation is to support charities and good causes that improve the health and wellbeing of communities across the UK and Ireland.

The Foundation operates to provide grants to other charitable organisations, enabling our corporate partners to disburse both their own and their employee donations, and respond efficiently to critical need within local communities. The Foundation provides corporate partners the option to make donations on a donor-advised basis, to be deployed as part of an emergency response or via joint partner campaigns that align with the Foundation's current social and environmental impact themes.



100% **of all money donated is awarded to charity recipients**

The Foundation is registered with the Fundraising Regulator and the ICO. The Trustees award grants to not-for-profit organisations based in the UK & Ireland that are either registered with the relevant charity regulator for their region or carry out community activities that are recognised as charitable. The Foundation may also consider proposals from charities that are established outside the UK and non-charitable organisations that are established either in the UK or elsewhere.

100% of all money donated is awarded to charity recipients and there are no minimum and maximum grant amounts. For donor-advised funds, the grant amounts are determined by the client donor. In the case of grants which are intended to be used for emergency aid or according to one of the Foundation's impact themes, funds are typically administered as micro-grants in the region of £500-£5,000 per charity applying, which allows the fund to minimise risk and extend impact.

The type of activity undertaken includes funding projects that address key impact areas:

- Pandemic recovery
- Community Investment and Integration
- Health & Wellbeing
- Skills for the Future
- Stewardship of the Environment
- Resource Circularity
- Waste Reduction/GHG Emissions

The Neighbourly Foundation disburses funds generated through several different financial donation mechanisms:

- Employee Match Giving
- Grant Management Programmes
- In-Store Fundraising
- Online Donations
- Text-to-Give Donations

Aims and objectives

This report covers the second year of operations for the Foundation, during which time its aims and objectives were focused on **building the profile** of the Foundation with corporate partners and disbursing funds according to current clients' donation management programmes.



There remains an urgent need within communities for help and from businesses wanting a targeted response mechanism for supporting local good causes. The reporting period covers a challenging time, with the ongoing impact of the pandemic, the war in Ukraine and the cost of living crisis creating significant demand on the network of good causes we support.

Successfully demonstrating our ability to respond to urgent needs, act flexibly and responsibly in support of the charity network, and report back on key impact measures in its first year has allowed the Foundation to further its purposes by engaging with additional corporate partners that understand the importance of building strong communities.

Aims for the reporting period:

- Respond effectively to community needs in relation to ongoing pandemic impact and the cost of living crisis
- Build the profile of the Neighbourly Foundation and its donation management services with existing and prospective clients

The criteria and measures used to assess success in this period include:

- Funds donated against impact themes set by the Foundation and donor businesses
- Number and geographical location of charities and causes supported
- Estimated number of end-beneficiaries
- Speed of fund allocation according to individual programme goals
- Project specific criteria, for example meals provided or number of people in isolation supported
- Feedback from recipient charities and groups on the social and environmental impact created, including quantitative and qualitative measures
- Programme / client specific KPIs

Longer-term, the Foundation aims to:

- Continue to respond effectively to community needs, in relation to future waves of COVID-19, the cost of living crisis and other societal or environmental pressures, utilising experience and feedback gained in the reporting period
- Use community insights to inform the direction of corporate programmes
- Increase its profile and in doing so, extend its reach and impact, working with additional corporate partners
- Further develop its Impact Reporting capabilities as a key enabler in unlocking additional community investment
- Build out the potential beneficiary network to over 25,000 charities and community causes by the end of the next reporting period (April 2023)
- Work with Neighbourly on technology developments to further streamline payment processes
- Invite additional trustees to join the board

Vision and strategy

The vision of The Neighbourly Foundation is to improve the health and wellbeing of local communities and environments by encouraging and facilitating corporate community investment.

The Foundation is governed by the charity trustees, who have a duty to apply the Foundation's assets to advance its objectives and have ultimate responsibility for all grantmaking decisions. The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly provides resources to the Foundation free of charge to support its charitable activities. The relationship between the two organisations is one of association and collaboration.

The Neighbourly Foundation's key priorities are to support charities and community causes that are:

- Working to alleviate hunger, for example by providing food provisions and emergency supplies and supporting those campaigning to eliminate the root causes of poverty and the need for charitable food provision
- Supporting elderly or vulnerable members of the community and those suffering economically, socially or from ill health as a result of the pandemic, cost of living crisis, global conflict or other macro forces
- Helping people to fulfil their potential and achieve aspirations through educational programmes and support to access jobs that provide financial independence
- Supporting the health and wellbeing of individuals through programmes that reduce social isolation and deliver community cohesion, support with mental and physical health and improve access to healthy environments
- Improving environmental sustainability through the promotion and creation of green spaces, protection of natural habitats and local biodiversity, acceleration of a low carbon future and waste reduction programmes

Helping people to fulfil their potential and achieve aspirations through educational programmes and support to access jobs that provide financial independence



2021–2022 highlights

3.8 million

total paid out in grants to **charitable organisations** and projects from April 2021 to March 2022.

1.1 million

people supported **weekly** by the charities that have received donations.

65%

increase in donations compared to the Foundation's first **13 month** reporting period from March 2020 to March 2021.

£75,000

Launch of environmental grants programme 'Seeds of Change' to coincide with COP26, donating just under **£75,000** as micro-grants to help small charities and good causes with environmental projects

1.3 million

Launch of donor-led grant programmes with new **corporate partners** Virgin Media O2 and Sainsbury's, with payments totalling a combined £1.3 million.

2,900

charities and **community causes** supported by donations from the Foundation.

Achievements & performance

Neighbourly campaigns

‘Seeds of Change’ Environmental Programme

Launched in October 2021 to coincide with COP26, the Seeds of Change programme was a Neighbourly-led campaign which brought together support in the form of donations and volunteer time from Southern Co-op, RSA, Cadent, Coca-Cola EP, Danone and M&G.

Just under £75,000 was donated as micro-grants to help small charities and good causes have a bigger positive environmental impact for local communities. In total 186 £400 grants were paid out for this campaign in 2021-22.

The Neighbourly Community Fund

Launched in March 2020 as an emergency response to COVID-19, the community fund distributed £1.23 million as £400 micro-grants in its first year (2020-21).

In this reporting period, a further £58.9k was paid out as micro-grants to over 140 charities and community groups, continuing with the original aims of the fund to support communities negatively affected by the pandemic.

£75,000

was donated as micro-grants to help small charities and good causes

£58,900

was paid out as micro-grants to over 140 charities



Corporate client programmes

Cadent
Your Gas Network

£95,182 was donated to charities and community groups by Cadent's matched giving initiative through the Neighbourly Foundation.

Up to £400 in matched funds was offered to any charities supported by Cadent employees through fundraising or personal donations, with more than 139,000 people supported in the 2021-22 period.

"We are a small PTA devoted to improving the learning experience of our children. Cadent's generosity will allow us to purchase new learning resources, which will benefit the children now and for years to come"

Park Hill Junior School

M&G Investments

£2,849 was donated by M&G through the Neighbourly Foundation as part of their Breaking Barriers Building Futures campaign.

Financial donations of around £20 per volunteer were offered alongside volunteering activities to help pay for resources and staff time. Good causes were selected based on proximity to M&G office locations.

"About 27 volunteers from M&G and Freshfields joined us to distribute meal packs, clothes, toiletries, bags, blankets and food bank supplies to homeless people, refugees and the elderly in central London. We had an impactful programme that benefitted many disadvantaged members of the community who attended the event."

Refuge Network UK

Heineken®

£8,660 was donated by Heineken through the Neighbourly Foundation as part of their Brewing Good Cheer 2021 campaign.

The campaign offered grants of £150 to charities and good causes nominated by Heineken pubs.

"We've worked with Neighbourly on our annual Brewing Good Cheer campaign for six years, and over this time, we have hosted hundreds of charities and good causes up and down the country in one of our pubs. During the lockdowns and unable to open to the public, many pubs continued to support their local communities from providing food to hosting online events and fundraising – and through our Brewing Good Cheer campaign we wanted to support these efforts. We worked once again with Neighbourly on a nomination and payment process for our pubs to select local charities to receive a donation from the Neighbourly Foundation to continue their work."

Sam Tarratt, Senior Sustainability & Community Impact Manager, HEINEKEN UK

giffgaff

£3,606 was donated by giffgaff through the Neighbourly Foundation as part of the 'giffgaff gives back' initiative.

Giffgaff gave support through grants of £400 to grassroot causes based in local communities nationwide.

£161,879 was donated by Southern Co-op through the Neighbourly Foundation as part of their local funding scheme that's focused on safer, greener, healthier and more inclusive projects, Love Your Neighbourhood Local Partnerships campaign and Food Bank campaign.

Good causes across the South of England were able to apply for grants up to £500 as part of the local funding campaign and £500 flat payment for food banks. Varied amounts of up to £3,000 were awarded for the local partnerships.

"The funding enabled us to be able to deliver food parcels to our members during the pandemic. Members answered the door with beaming smiles and some with tears of joy for seeing a friendly face. Thank you for this grant, it has made a wonderful positive impact on our members' mental wellbeing during a very challenging time."

MHA Communities

£400,000 was donated by Virgin Media O2 through the Neighbourly Foundation as part of the Virgin Media O2 Together Fund.

The fund's purpose was to supercharge hundreds of local charities across the UK as the nation emerged from the pandemic and to support local charities that champion and celebrate community spirit, belonging and togetherness across the UK. Grants of £1,000 were awarded to environmental and community belonging projects.

"We are now able to deliver a much better service to some of the most vulnerable. Without your support our reopening would have suffered"

Age Concern Bracknell Forest



£272,654 was donated by Aldi through the Neighbourly Foundation as part of their Children's Cupboard Initiative.

Funds were raised through Aldi PR and social media campaigns and through in-store promotions which were distributed as £400 micro-grants to charities that were supporting children with access to food.

"Trust House received an Aldi Community Cupboard Grant in March 2021, the £400 awarded has made a **massive impact to our programme** to beat holiday hunger. Over Easter and the May half term, the funds have been used to feed the 60 plus families we support and we will also be able to utilise the funds during the summer break. Thanks to this funding, our families have been able to stretch their budgets further, ensuring that **no child goes hungry** during school holidays."

Trust House Whitefield, Manchester

Sainsbury's

£963,057 was donated by Sainsbury's through the Neighbourly Foundation as part of their 'Helping Everyone Eat Better' community grants programme and their 'Help Brighten a Million Christmases' 2021 initiative.

For the 'Helping Everyone Eat Better' Programme, funds were donated as minimum £500 grants to help charities, CICs and community groups support projects that aim to help people access food, and/or help lift people out of food poverty.

For their Christmas initiative, between 1st-24th December 2021, Sainsbury's and Argos stores across the UK raised money for a range of good causes through fundraising by store staff, as well as from customers who were invited to offer financial and food donations both in-store and online. Sainsbury's and Argos matched the value of all financial and food donations in this period, up to a maximum of £1.5 million across all locations. Beneficiary causes were nominated by employees at the participating Sainsbury's and Argos stores.

"This grant was extremely important to our kitchen as we were cooking on sub standard equipment before. It really has helped speed things up and get us to where we need to be."

Book shop Brixton

RSA

£297,595 was donated by RSA Insurance through the Neighbourly Foundation via the RSA Climate Change and Education Grants.

RSA's dividend forfeiture programme distributed unclaimed dividends to charities, CICs and community organisations that were all working towards climate and risk education goals. Grants ranged from £400 - £15,000 and over 47,000 individuals were supported.

"Huge thanks to RSA Group and Neighbourly for the £10,000 grant the Breck Foundation has received from RSA's Climate Change and Risk Education programme. This grant will enable us to educate 1000s of children and young people in South-East England about online grooming and exploitation"

The Breck Foundation



Corporate partners

We'd like to thank the Foundation's corporate partners for their contributions to the Foundation during this period. Without their support and continued dedication to community investment, we would not have been able to positively impact the many thousands of charities and millions of individuals that have benefited from our programmes.

Neighbourly Community Fund donors:

M&S, Lidl, Aldi, Danone, Coca-Cola European Partners, Heineken, giffgaff, Southern Co-op and Jefferies International.

Neighbourly 'Seeds of Change' donors:

Southern Co-op and RSA.

Neighbourly Foundation clients that have donated to charities in this reporting period:

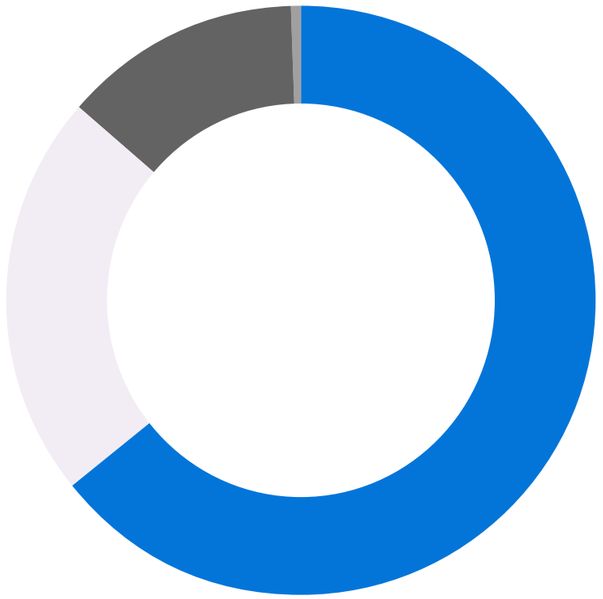
- The B&Q Foundation
- Cadent Gas
- Heineken
- M&G
- RSA
- Southern Co-op
- giffgaff
- Virgin Media O2
- Aldi
- Sainsbury's
- M&S

Individual donors

In the 2021-22 period, a number of partner campaigns facilitated donations from customers, through online payments made on the Neighbourly platform.

£1,836

was donated in total by individual donors through partner campaigns, which breaks down as follows:



- **£1,165** direct to the Neighbourly Foundation online
- **£408** from Aldi campaigns
- **£253** from Lidl campaigns
- **£10** from Southern Co-op campaigns

Trust and foundations

In the 2021-22 period, the B&Q Foundation donated £1,421,168 through the Neighbourly Foundation to charities that meet its mission, to help everyone to have a space where they feel at home.

The grants are focused on improving the places and spaces of charities who support people who are most in need with a safe and welcoming environment, ranging in value from £500 to £5,000. It is estimated that 208,000 people were positively impacted through these grants. Projects funded include improving, maintaining, providing or creating places to make people feel comfortable, safe and welcome.



"Within these spaces, people are encouraged to pause, take a breath, make memories, speak privately, process grief, reflect, find peace, re-fuel and find joy. The accessibility, comfort and visual cohesion that the new furniture has brought make the Quiet Room and Cafe far more appealing and calming environments for our beneficiaries and will continue to for many years."

Mountbatten Hampshire

Charity partners

Donations have been made to charities through the following programmes:

Programme	Charities supported
B&Q Foundation	321
Candent Gas	237
Heineken	45
M&G	10
RSA	62
Southern Co-op	113
giffgaff	9
Virgin Media 02	402
Aldi	661
Sainsburys	707
Neighbourly Community Fund	147
Neighbourly 'Seeds of Hope'	186

2,900

charities and community causes supported across all programmes, that helps an average of 375 people every week.

1.1M

people supported weekly by the charities that have received donations from the Foundation.

Key Sustainable Development Goals supported by The Foundation:

SDG	Grand total	% by SDG
Good health and wellbeing	£1,424,447	38%
No poverty	£622,514	17%
Zero hunger	£523,213	14%
Reduced inequalities	£391,563	10%
Sustainable cities and communities	£229,446	6%
Life on land	£144,438	4%
Quality education	£125,255	3%
Climate action	£122,246	3%
Gender equality	£73,724	2%
Other (1% and under)	£103,815	3%
Grand total	£3,761,413	100%

Grants are made based on completion of an online application form, which significantly reduces the time it takes for a charity to apply, compared to traditional methods of completing and submitting paper forms. Grant awards are made based on qualifiers against the grant terms and are either made on a first come first served basis, or are awarded based on donor-advised selection or employee nomination. All recipient charities are strictly vetted by our partner Neighbourly Ltd prior to any award being made.

Our commitment to donors and supporters

We are grateful for the generosity of our donors and supporters and we commit to:

- Safeguard personal details and abide by data protection laws
- Work closely with the Foundation's charity and community cause network to ensure that donations are used for the purpose for which they are given
- Distribute donations so they have the maximum impact according to the aims of the funding
- Provide impact reports on the social and environmental benefits of the donations
- Be open and transparent about vetting and distribution processes and procedures
- Encourage feedback and foster close relationships
- Provide the services of a dedicated support team

Financial review 2021-22

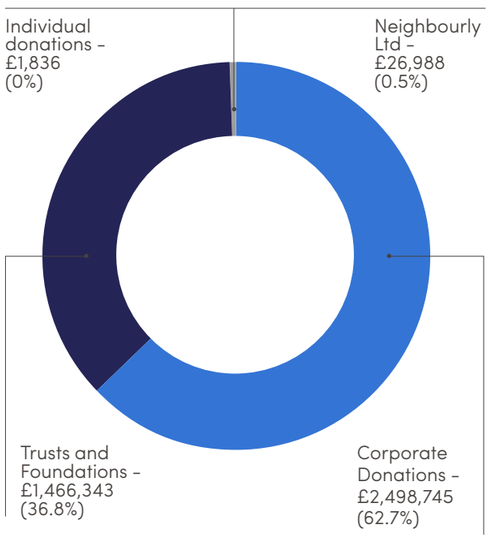
During this reporting period, the Neighbourly Foundation received £3.994m of restricted funding and donated £3.76m in grants to charitable organisations.

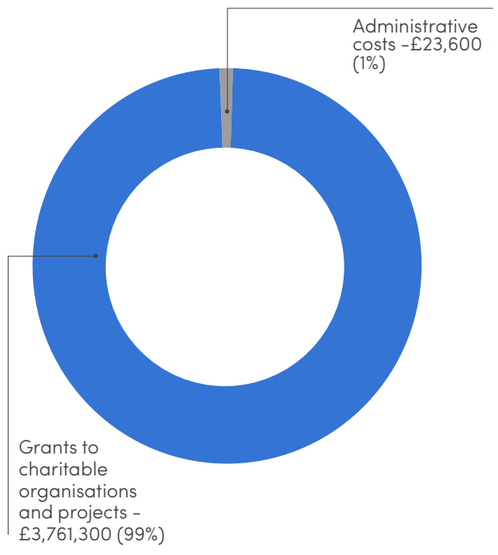
Where our income comes from

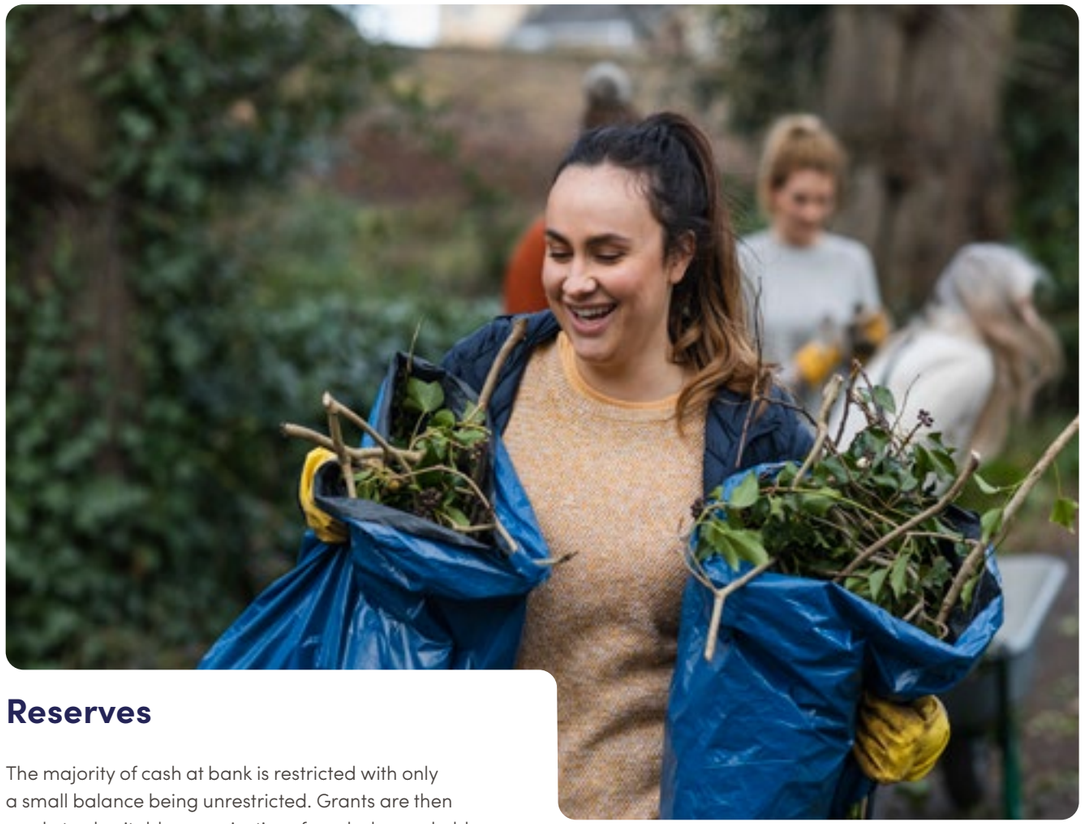
All of our income has come from charitable donations, either from the Foundation's corporate partners, trusts and foundations, individual donors or Neighbourly Ltd. All donations are treated as restricted with the exception of Neighbourly Ltd, whose donation is to support running costs of the charity.

Where we spend our income

Our sole activity is granting funds to other charitable organisations and projects, therefore this accounts for 99% of our spend. Any administrative costs, for example audit fees, insurance etc, are covered by donations from Neighbourly Ltd.







Reserves

The majority of cash at bank is restricted with only a small balance being unrestricted. Grants are then made to charitable organisations from balances held on behalf of corporate and other donors. Unrestricted funds are held to cover the running costs of the charity including, for example, audit fees and insurance.

Under the Strategic Partnership Agreement with Neighbourly Ltd, all resources to enable the charity to operate e.g. access to the Neighbourly platform and staff costs, are provided free of charge. The trustees have concluded that it is necessary to maintain only minimal reserves to cover the running costs of The Neighbourly Foundation and at any time sufficient reserves are held to cover three months of committed expenditure.

At the period end the charity had total reserves of £781k with restricted reserves of £771k and unrestricted reserves of £10k. The restricted reserves are not available for general purposes of the charity and are to be donated to other charitable organisations in the next period.

Going concern

The trustees have a reasonable expectation that The Neighbourly Foundation has adequate resources through its partnership with Neighbourly Ltd to continue to operate for the foreseeable future. Hence the annual financial statements have been prepared on the going concern basis. Please refer to the Notes to the Financial Statements for further detail.

Principal risks and uncertainties

The Foundation is operating in a challenging environment due to a number of factors. The ongoing impacts of the pandemic and cost of living crisis are creating a huge strain on the charitable sector, as well as long-term financial and health implications for beneficiaries.

The ongoing pandemic, inflation, cost of living crisis and war in Ukraine are expected to create significant uncertainties and spikes in demand for charities and community organisations, whilst they face reduced funding and resources, increased costs and reduced volunteer capacity.

The UK is also facing ongoing upheaval as a result of Brexit and rising energy costs which are plunging more families into poverty. An additional threat for communities is climate related disasters, including flooding.

The Neighbourly Foundation has been proactive in providing guidance to its network of causes regarding the management of risks, whilst continuing to survey causes periodically to ensure we remain responsive to changing needs. Neighbourly continues to expand its number of corporate partners donating through the Foundation in order to provide relevant support for local good causes and communities.



Structure governance and management

The Neighbourly Foundation is a company limited by guarantee (12541286) (England and Wales) incorporated 31 March 2020 and is registered with the Charity Commission as a charity (1189514). It is governed by its Memorandum and Articles of Association adopted on the same date.

Objects

The Objects of the Foundation as set out in the Memorandum and Articles of Association. The Foundation has been established to advance general charitable purposes for the public benefit and will operate principally by granting funds to charitable organisations and projects which are charitable under the law of England and Wales (provided that the Charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).

Organisation

The charity was established on 31 March 2020 as a company limited by guarantee, with Neighbourly Ltd as its sole member. Further to a Special Resolution of 26 February 2021 the membership was transferred from Neighbourly Ltd to Howard Russell, one of its trustees, and further to a Resolution of 13 September 2021, to all trustees from time to time. The liability of each member under the guarantee is £1.

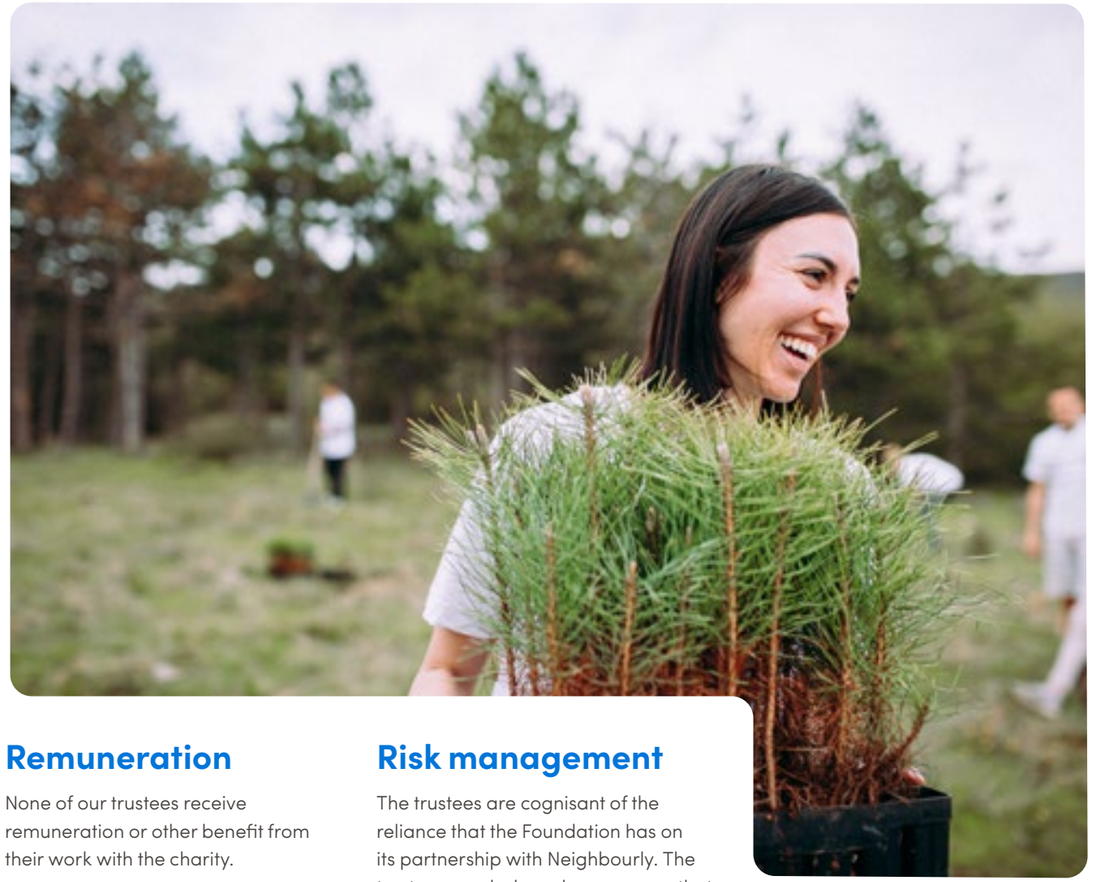
The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly has agreed to provide resources to the Foundation free of charge for the Foundation to pursue its charitable purposes. The relationship between the two organisations is one of association and collaboration and not one involving direction or control. Neighbourly Ltd recognises and understands that the trustees have responsibility for governing the Foundation and does not interfere in the day to day running of the Foundation. Neighbourly does not act in any way that prejudices the independent decision-making of the trustees or which inhibits the trustees' ability to fulfil their charity law duties.

The Articles contain a conflict of interest provision to ensure that Neighbourly Connected Directors cannot participate in any decision making that the trustees recognised as Independent Directors consider relates to the relationship between the Neighbourly Foundation and Neighbourly.

Board meetings are held quarterly, some of which during the reporting period have been held virtually.

Related parties

Steve Butterworth acts as the Chair of the charity and is also the CEO of Neighbourly Ltd. Chris Kelly is non-executive Director of Neighbourly Ltd. Both own shares in that company.



Remuneration

None of our trustees receive remuneration or other benefit from their work with the charity.

Recruitment of Trustees

The charity ended the year with four trustees supporting the charity. As the charity grows it will aim to recruit additional trustees who have the skills the charity needs to develop. It values the benefits of having members with different backgrounds, expertise and experience.

Trustee induction and training

All new trustees will undertake an induction programme, which includes visiting our partner Neighbourly, understanding the roles and duties of the trustees, company and charity law and governance, and financial and risk management.

Risk management

The trustees are cognisant of the reliance that the Foundation has on its partnership with Neighbourly. The trustees regularly seek assurances that support remains in place and will do so for the foreseeable future.

Public Benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities. The Neighbourly Foundation's focus on pandemic recovery, community health and wellbeing, skills development and environmental stewardship, working in partnership with local charities and community groups, will have a direct and positive benefit on individuals that are isolated, marginalised or vulnerable and those living in deprived neighbourhoods.

Fundraising Standards

The trustees are aware of current legislation and updated guidance from the Charity Commission. We are a fully contributing member to the Fundraising Regulator and follow best practice in our fundraising. We are compliant with the regulation where it applies to us. We do not contract with third party fundraising organisations.



By order of the board of trustees
Steve Butterworth (Chair)

Our charity details

Charity Name:

The Neighbourly Foundation

Registered Charity Number:

1189514 (England and Wales)

Registered Company number:

12541286 (England and Wales)

Trustees and Directors:

Steve Butterworth (Chair of Trustees)

Chris Kelly

Howard Russell

Nicholas Smailes

Registered office:

Engine Shed, Station Approach, Redcliffe, Bristol BS1 6QH

Bankers:

Lloyds Bank, 3rd Floor, 25 Gresham Street,
London, EC2V 7HN

Legal advisers:

Bates Wells, 100 Queen Street Place,
London, EC4R 1BE

Auditors:

Bishop Fleming LLP, 10 Temple Back, Bristol, BS1 6FL

Statements of Trustee responsibilities

The charity trustees (who are also the directors of the Neighbourly Foundation for the purposes of company law) are responsible for preparing a **Trustees' Annual Report** and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



Steve Butterworth - Chair of Trustees
Date: 31 October 2022

Independent Auditors report

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial period for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic report.

Responsibilities of the trustees

As explained more fully in the Trustees' Responsibilities statement, 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.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the trustees 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 trustees those matters we are required to state to them in an Auditors' 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 trustees for our audit work, for this report, or for the opinions we have formed.



David Butler FCA DChA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back, Bristol, BS1 6FL
Date: 31 October 2022

Financial Statements

The trustees present their annual report together with the audited financial statements of the Charity for the year ended 31 March 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the **charitable company's governing document** and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). Since the Charity qualifies as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Statement of financial activities for the year ended 31 March 2022

	Notes	Unrestricted Funds	Restricted Funds	2022 Total Funds	2021 Total Funds
		£'000	£'000	£'000	£'000
Income from:					
Donations and legacies	2	27	3,967	3,994	2,841
Other income	3	-	-	-	22
Total		27	3,967	3,994	2,863
Expenditure on:					
Charitable activities	5	23	3,761	3,784	2,292
Total		23	3,761	3,784	2,292
Net income/(expenditure)		4	206	210	571
Reconciliation of funds:					
Total funds brought forward		6	565	571	-
Net movement		4	206	210	571
Total funds carried forward		10	771	781	571

The Statement of Financial Activities includes all gains and losses recognised in the period.
The notes on pages 42 to 48 form part of these financial statements.

Balance sheet at 31 March 2022

	Notes	2022	2021
		£'000	£'000
Current assets			
Debtors	10	165	16
Cash at bank		631	569
Total		796	585
Creditors			
Amounts falling due within one year	11	(15)	(14)
Net current assets/(liabilities)		781	571
Total assets less current liabilities		781	571
Total net assets		781	585
Charity funds			
Restricted funds	12	771	565
Unrestricted funds	12	10	6
Total funds		781	571

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime. The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:



Steve Butterworth - Chair of Trustees
Date: 31 October 2022

The notes on pages 42 to 48 form part of these financial statements.

Cashflow statement for the year ended 31 March 2022

	2022	2021
	£'000	£'000
Cash flows from operating activities:		
Net cash provided by / (used in operating activities)	62	569
Change in cash and cash equivalents in the reporting period	62	569
Cash and cash equivalents at the beginning of the period	569	-
Cash and cash equivalents at the end of the period	631	569

Reconciliation of net income to net cash flow

	2022	2021
	£'000	£'000
Net income for the period:	210	571
Adjustments for:		
Decrease/(increase) in debtors	(149)	(16)
Increase in creditors	1	14
Net cash provided by operating activities	62	569

Notes to financial statements

General Information

The Neighbourly Foundation is a charitable company limited by guarantee and not having a share capital, registered in England and Wales. The registered office is Engine Shed, Station Approach, Bristol, BS1 6QH. The members of the charity are the Trustees named below:

Steve Butterworth
Chris Kelly
Howard Russell
Nicholas Smailes

1. Accounting Policies

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Neighbourly Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

GOING CONCERN

The accounts have been prepared on a going concern basis which assumes that sufficient working capital will be available for operational requirements.

To conclude on this basis the trustees reviewed the cash flow forecast to October 2023 (12 months from the date of signing). As ongoing funding from Neighbourly Ltd is also key in our considerations, the budget and cash flow forecasts of the company were also reviewed. No material uncertainties were identified.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

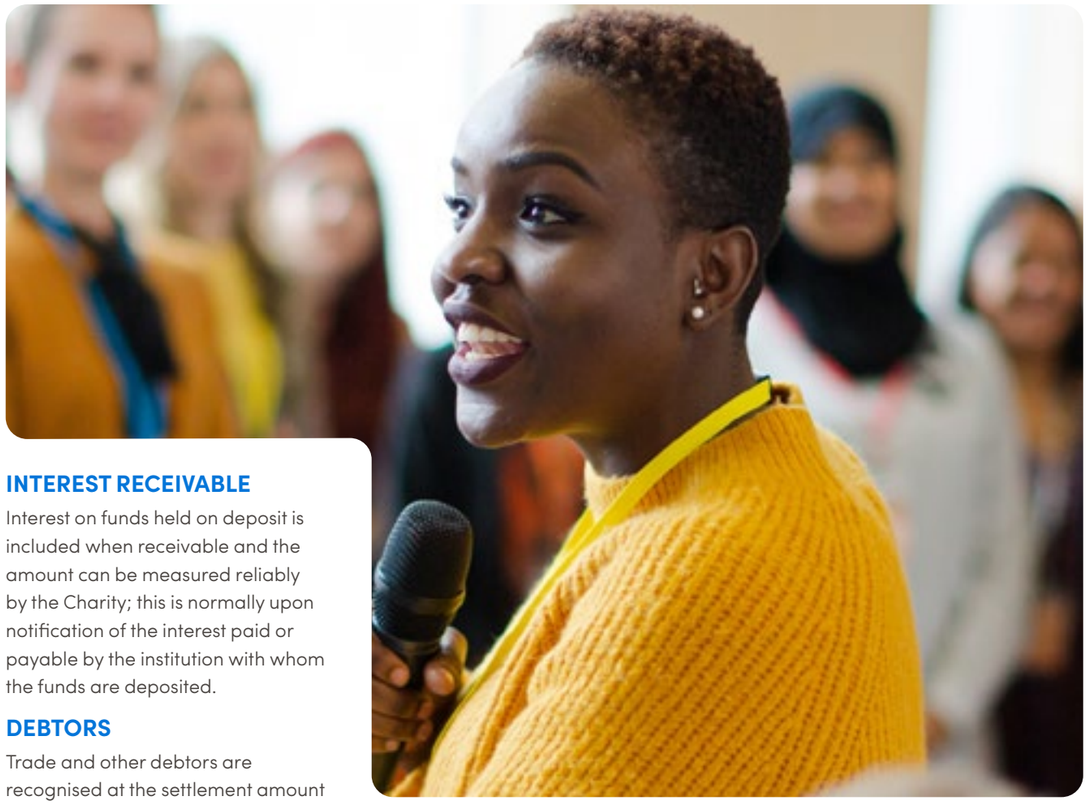
EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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

All expenditure is inclusive of irrecoverable VAT.



INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

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

LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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 which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

2. Income from donations and legacies

	2022	2021
	£'000	£'000
Restricted - Donations	3,967	2,841
Unrestricted - Donations	27	-
Total	3,994	2,841

3. Other incoming resources

	2022	2021
	£'000	£'000
Income from participating interests - Unrestricted	27	22

4. Analysis of grants

	2022	2021
	£'000	£'000
Grants to institutions	3,761	2,276

The Neighbourly Foundation provides micro-grants to support good causes in line with the charitable objectives. Further analysis can be found under the 'Charity Partners' heading earlier in this report

5. Analysis of expenditure on charitable activities

	2022	2021
	£'000	£'000
Unrestricted funds	23	16
Restricted funds	3,761	2,276
Charitable activities	3,784	2,292

6. Allocation of support costs

Support costs of £23,000 are allocated to charitable activities. These costs include Marketing costs (£10,000), audit and accountancy fees (£9,000), legal fees (£1,000), bank fees (£1,000) and insurance (£2,000). All other support costs are borne directly by Neighbourly Limited and are not recharged to The Neighbourly Foundation as it is not possible for the allocation to be accurately determined.

7. Auditors remuneration

The auditors' remuneration amounts to an auditor fee of £8,500, and preparation of accounts of £2,000.

8. Staff costs

Staff costs are borne wholly by Neighbourly Limited and not recharged to The Neighbourly Foundation.

9. Trustees' remuneration and expenses

During the period, no trustees received any remuneration or other benefits. During the period ended 31 March 2022, no trustee expenses have been incurred.

10. Debtors

	2022	2021
	£'000	£'000
Due within one year		
Trade debtors	140	-
Amounts owed by participating interests	25	16
Total	165	16

11. Creditors: Amounts falling

	2022	2021
	£'000	£'000
Other creditors	-	1
Accruals and deferred income	15	13
Total	15	14

12. Statement of funds

Statement of funds current period	Opening balance at 1 April 2021	Income	Expenditure	Transfers in/out	Balance at 31 March 2022
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
Income from participating interests	6	27	(23)	-	10
Restricted funds					
B&Q	-	1,466	(1,421)	-	45
Cadent	6	113	(95)	-	24
Lidl	5	125	-	(5)	125
RSA	29	315	(298)	(2)	44
Sainsbury's	-	1,238	(963)	-	275
Southern Co-op	100	114	(162)	(17)	35
Aldi	301	-	(273)	-	28
VM02	-	400	(400)	-	
Good health & well-being	31	20	(12)	8	47
Climate change	11	-	-	-	11
Reduced inequalities	1	19	(4)	-	16
Volunteering support	-	75	-	-	75
Community fund - SOC	-	66	(74)	32	24
Community fund - COVID19	81	16	(59)	(16)	22
	565	3,967	(3,761)	-	771
Total of funds	571	3,994	(3,784)		781

Statement of funds prior period	Opening balance at 1 March 2020	Income	Expenditure	Transfers in/out	Balance at 31 March 2021
		£'000	£'000	£'000	£'000
Unrestricted funds					
Income from participating interests	-	22	(16)	-	6
Restricted funds					
B&Q	-	589	(589)	-	-
RSA	-	318	(289)	-	29
Southern Co-op	-	143	(43)	(5)	100
Aldi	-	374	(73)	(2)	301
Community fund - COVID19	-	1,289	(1,228)	-	81
Good health & well-being	-	89	(32)	-	37
Climate change	-	11	-	-	11
Reduced inequalities	-	23	(22)	-	1
Zero hunger	-	5	-	-	5
	-	2,841	(2,276)	-	565
Total of funds		2,863	(2,292)	-	571

B&Q: These funds are allocated to support projects that are improving, maintaining, providing or creating places to make people feel comfortable, safe and welcome.

Cadent: These funds are restricted to fund causes that Cadent employees are passionate about and match their own fundraising efforts.

RSA: RSA's dividend forfeiture programme distributed unclaimed dividends to charities, CICs and community organisations that were all working towards climate and risk education goals.

Sainsbury's: These funds were donated to help charities, CICs and community groups support projects that aim to help people to access food, and/or help lift people out of food poverty.

Southern Co-op: These funds were allocated to good causes local to Southern Co-op stores that support people with food provision or help deliver greener, safer, healthier and more inclusive neighbourhoods.

Aldi: These funds were allocated to food banks and aid organisations supporting children with food provision.

Virgin Media O2: The fund's purpose was to supercharge local charities across the UK as the nation emerged from the pandemic and to support groups that champion and celebrate community spirit, belonging and togetherness.

Community Fund - COVID-19: These funds were restricted to support local communities suffering as a result of the pandemic.

Community Fund - (SOC) Seeds of Change Environmental Fund: These funds were donated as micro-grants to help small charities and good causes have a bigger positive environmental impact for local communities.

We also have a number of smaller funds that support good health & well-being; climate change; reduced inequalities and zero hunger.

13. Summary of funds

Statement of funds current period	Opening balance at 1st April 2021	Income	Expenditure	Transfers in/ out	Balance at 31 March 2022
		£'000	£'000	£'000	£'000
General funds	6	27	(23)	-	10
Restricted funds	565	3,967	(3,761)	-	771
Total	571	3,994	(3,784)	-	781

Statement of funds prior period	Opening balance at 1st March 2020	Income	Expenditure	Transfers in/ out	Balance at 31 March 2021
		£'000	£'000	£'000	£'000
General funds	-	27	(16)	-	6
Restricted funds	-	2,841	(2,276)	-	565
Total		2,863	(2,292)	-	571

14. Analysis of net assets between funds - current period

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Current assets	25	771	796	585
Creditors due within one year	(15)	-	(15)	(14)
Total	10	771	781	571

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£'000	£'000
Net income for the period (as per SOFA)	210	571
Adjustments for:	-	-
Decrease/(increase) in debtors	(149)	(16)
Increase in creditors	1	14
Net cash provided by operating activities	62	569

16. Analysis of cash and cash equivalents

	2022	2021
	£'000	£'000
Cash at bank and in hand	631	569
Total cash and cash equivalents	631	569

17. Analysis of changes in net debt

	Cash flows	2022	2021
	£'000	£'000	£'000
Cash at bank and in hand	631	631	569



18. Member's liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

19. Related party transactions

The Neighbourly Foundation has not entered into any related party transaction during the period, nor are there any outstanding balances owing between related parties and The Neighbourly Foundation at 31 March 2022.

Trustees remuneration and expenses is detailed in note 9.

20. Controlling party

There is no registrable person or registrable relevant legal entity at the date of signing.



neighbourly

The Neighbourly Foundation

Trustees Report and Financial Statements

THE NEIGHBOURLY FOUNDATION

England & Wales - Charity number 1189514

Accounts

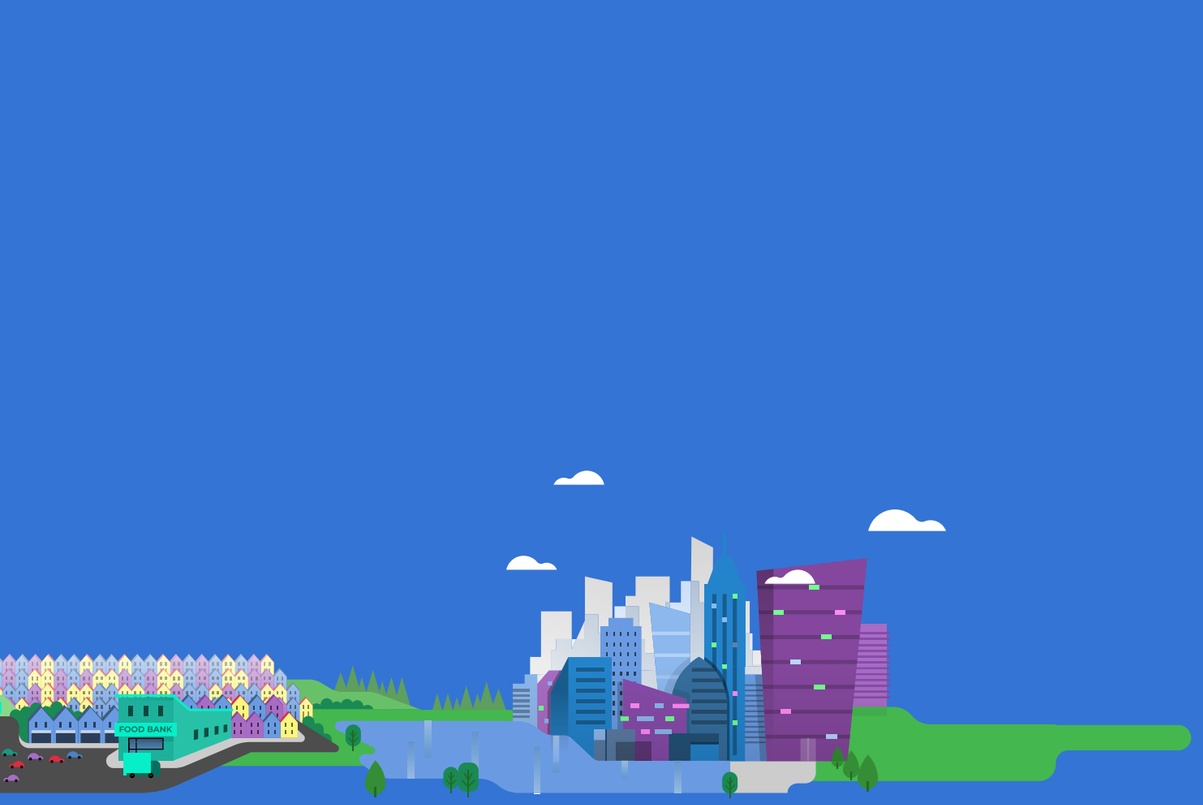
neighbourly

The Neighbourly Foundation

Trustees Report and Financial Statements

For the period from 1 March 2020 to 31 March 2021





Contents

About the Neighbourly Foundation 4

Report from the Chair of Trustees 5

Purpose and activities 6

Vision and strategy 8

2020-2021 highlights 10

Our response to COVID-19 12

Achievements and performance 14

Corporate partners 20

Individual donors 20

Trusts and Foundations 21

Charity partners 22

Our commitment to donors and supporters 23

Financial review 2020-21 24

Principal risks and uncertainties 26

Structure governance and management 27

Our charity details 29

Statements of Trustees responsibilities 30

Independent Auditors report 31

Financial statements 34

Statement of financial activities for the 13 months ended 31 March 2021 35

Balance sheet at 31 March 2021 36

Cashflow statement for the 13 months ended 31 March 2021 37

Reconciliation of net income to net cash flow 37

Notes to the Financial Statements 38

About the Neighbourly Foundation

The Neighbourly Foundation (charity 1189514) is an independent foundation which collaborates closely with Neighbourly, the award-winning giving platform that helps businesses make a positive impact in their communities by donating volunteer time, money and surplus products, all in one place.

The Foundation has been established as a charity to advance general charitable purposes and operates to grant funds to other charitable organisations and projects.

It was set up in response to the COVID pandemic in 2020 to provide easier access to funding for our network of nearly 20,000 good causes that support people in need and look after the health and wellbeing of communities across the UK & Ireland. The Foundation provides the route for its corporate partners to ensure funds are delivered efficiently and at scale to pre-vetted local causes that deliver against specific social and environmental impact themes.



20,000

Our network of good causes that support people in need and look after the health and wellbeing of communities across the UK & Ireland



Report from the Chair of Trustees

On behalf of the Board of Trustees of the Neighbourly Foundation, I'm pleased to present our first annual report for 2020-2021, which covers an extraordinary period of change for UK society, and globally.

We launched the Foundation at the start of the pandemic, at a time of unprecedented strain for communities across the country. Rapidly mounting poverty, hunger and mental health problems were creating a sharp rise in demand for local causes, whilst lockdown, social distancing and the need to protect the most vulnerable were severely disrupting the delivery of essential services.

Despite the growing need, analysis by Pro Bono Economics in September that year suggested that only 36% of charities had been able to access the Government's emergency funding, leaving many organisations struggling to provide the services t hat people were increasingly having to rely on.

Against this backdrop, the Neighbourly Foundation was set up with two key aims. Firstly, to provide a coordinated and rapid business response to the needs of local organisations that were supporting the most vulnerable in our neighbourhoods, avoiding the delays typically associated with paper-based grant applications. Secondly, to establish a permanent solution for businesses to disburse corporate and employee donations to pre-vetted local causes, efficiently and at scale.

Establishing a community fund of over £1.23 million within 2 months of the first UK lockdown was only possible with the generous support of our fund partners; M&S, Lidl, Aldi, Nutricia (Danone), Coca-Cola European Partners, giffgaff, Southern Co-op, Heineken and Jefferies International. Their donations allowed the Neighbourly Foundation to support over 2,800 local charities and positively affect the lives of over 1 million people facing crisis. Our thanks go to the B&Q Foundation, RSA, Aldi, Cadent, giffgaff, Heineken and Southern Co-op who have continued as Foundation contributors throughout the 2020-21 period, supporting hard-hit communities and numerous organisations that help people improve their wellbeing and fulfil their potential.

In 2021, the Neighbourly Foundation was delighted to launch its first environmental programme, 'Seeds of Change' to coincide with COP26. This programme is bringing together support from Southern Co-op, RSA, Cadent, Coca-Cola EP, Danone and M&G to help small charities and good causes have a bigger positive environmental impact for local communities. As part of this, the Foundation will be distributing micro-grants from a £100,000 seed-fund in 2021-22 and we look forward to reporting back on the impacts of this important programme later this year.

We are committed to supporting and growing our charity network and we have outlined our targeted key impact themes for the next period later in this report. I would like to thank our trustees for their continued guidance and support, and to the Neighbourly team who provide resources to ensure that the maximum impact is delivered by the Foundation in areas of most need.

Together with our network of donors, good causes and key partners, I believe we have built solid foundations for what will be another challenging year ahead for our communities and helped provide significant support to essential local causes.

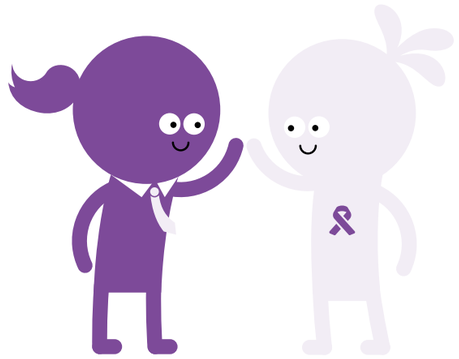


Steve Butterworth
Chair of Trustees

Purpose and activities

The purpose of the Neighbourly Foundation is to support charities and good causes that improve the health and wellbeing of communities across the UK and Ireland. The Foundation operates to provide grants to other charitable organisations enabling our corporate partners to disburse both their own and their employee donations, and respond efficiently to critical need within local communities.

The Foundation provides corporate partners the option to make donations on a donor-advised basis, to be deployed as part of a rapid response or via joint partner campaigns that align with the Foundation's current social and environmental impact themes.



The type of activity undertaken includes funding projects that address key impact areas:

- COVID-19 Recovery
- Community Investment and Integration
- Health & Wellbeing
- Skills for the Future
- Stewardship of the Environment
- Resource Circularity
- Waste Reduction/ GHG Emissions

The Neighbourly Foundation disburses funds generated through several different financial donation mechanisms:

- Grant Management Programmes
- In-Store Fundraising
- Text-to-Give Donations
- Online Donations
- Employee Match Giving

The Foundation is registered with the Fundraising Regulator and the ICO. The Trustees award grants to not-for-profit organisations based in the UK & Ireland that are either registered with the relevant charity regulator for their region or carry out community activities that are recognised as charitable. The Foundation may also consider proposals from charities that are established outside the UK and non-charitable organisations that are established either in the UK or elsewhere.

100% of all money donated is awarded to charity recipients and there are no minimum and maximum grant amounts. For donor-advised funds, the grant amounts are determined by the client donor. In the case of grants which are intended to be used for emergency aid or according to one of the Foundation's impact themes, funds are typically administered as micro-grants in the region of £400-£500 per charity applying, which allows the fund to minimise risk and extend impact.

Aims and objectives

This report covers the first 13 months of the Foundation during which time its aims and objectives were focused on establishing working processes and procedures whilst disbursing funds as quickly as possible. This was in response to the urgent need of the community and businesses wanting a coordinated response mechanism to supporting local good causes. The reporting period covers a challenging time, with the pandemic creating significant strain for internal teams managing with limited resources whilst adapting to remote working.



Successfully demonstrating our ability to respond to urgent need, act flexibly and responsibly in support of the charity network, and report back on key impact measures has allowed the Foundation to further its purposes by engaging with additional corporate partners that understand the importance of building strong communities.

Aims for the reporting period:

- Respond effectively to community need in relation to COVID-19
- Establish a permanent solution for businesses to disburse corporate and employee donations

The criteria and measures used to assess success in this period include:

- Funds donated against impact themes set by the Foundation and donor businesses
- Number and geographical location of charities and causes supported
- Estimated number of end-beneficiaries
- Speed of fund allocation according to individual programme goals
- Project specific criteria, for example meals provided or number of people in isolation supported
- Feedback from recipient charities and groups on the social and environmental impact created, including quantitative and qualitative measures
- Programme / client specific KPIs

Longer-term, the Foundation aims to:

- Continue to respond effectively to community need, in relation to future waves of COVID-19 or other societal or environmental pressures, utilising experience and feedback gained in the initial reporting period
- Use community insights to inform the direction of corporate programmes
- Increase its profile and in doing so, extend its reach and impact, working with additional corporate partners
- Further develop its Impact Reporting capabilities as a key enabler in unlocking additional community investment
- Build out the potential beneficiary network to over 35,000 charities and community causes by the end of 2022
- Work with Neighbourly on technology developments to further streamline payment processes
- Invite additional trustees to join the board

Vision and strategy



The vision of the Neighbourly Foundation is to improve the health and wellbeing of local communities and environments by encouraging and facilitating corporate community investment. The Foundation is governed by the charity trustees who have a duty to apply the Foundation's assets to advance its objectives and have ultimate responsibility for all grantmaking decisions.

The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly provides resources to the Foundation free of charge to support its charitable activities. The relationship between the two organisations is one of association and collaboration.

The Neighbourly Foundation's key priorities are to support charities and community causes that are:

- Supporting elderly or vulnerable members of the community and those suffering economically, socially or from ill health as a result of the pandemic
- Working to alleviate hunger, for example by providing food provisions and emergency supplies and supporting those campaigning to eliminate the root causes of poverty and the need for charitable food provision
- Helping people to fulfil their potential and achieve aspirations through educational programmes and support to access jobs that provide financial independence
- Supporting the health and wellbeing of individuals through programmes that reduce social isolation and deliver community cohesion, support with mental and physical health and improve access to healthy environments
- Improving environmental sustainability through the promotion and creation of green spaces, protection of natural habitats and local biodiversity, acceleration of a low carbon future and waste reduction programmes.

> **Through partnership with Neighbourly Ltd, the Foundation aims to extend its reach and impact in 2022**



2020-2021 highlights

01

Establishment of the Neighbourly Community Fund in response to COVID-19, with donations of **£1.23 million** from eight Neighbourly corporate partners in March 2020

02

Development of a unique, high security, integrated payments system on the Neighbourly platform to fast-track applications and payments

03

Over **1 million people** positively impacted by the Neighbourly Community Fund donations

04

The Neighbourly Foundation selected as a **M&S Sparks Charity** in July 2020

05

The Neighbourly Foundation formally launched to corporate partners and media in September 2020

06

Seven corporate partners using the Foundation for grant distribution, outside of the Neighbourly Community Fund



07

£29,000 raised in public donations as a result of Aldi's Hunger Monster campaign, in partnership with Premier League footballer and food poverty campaigner Marcus Rashford

08

3,524 charities and community causes supported by donations from the Foundation from March 2020 to March 2021

09

1.3 million people supported weekly by the charities that have received donations from the Foundation

10

Total grants to charitable organisations and projects **£2.28 million** from March 2020 to March 2021.



Our response to COVID-19

During the first UK COVID lockdown, the 15,000 small charities and community causes in Neighbourly's network and the people they support were facing unprecedented challenges.

Following a survey of over 2,000 small charities and causes registered on the Neighbourly platform, it was found that 77% that supported older people were expecting their services to be severely disrupted, along with 75% supporting young people.

In the first two weeks of the pandemic, over 60% of charities reported that they had already seen a reduction in their food surplus donations. Charities and causes in Neighbourly's network experienced an estimated 106% increase in demand during the first wave of the pandemic.

The Neighbourly Community Fund - the Foundation's first programme - enabled national businesses to take rapid, high impact community action through Neighbourly's network of vetted local causes. The fund called for a coordinated and collaborative response to the pandemic with large corporate businesses encouraged to join alongside others in order to have maximum impact for people in greatest need.

In March 2020, within two days of the first lockdown being announced, Neighbourly and the Neighbourly Foundation partnered with leading UK organisations - M&S, Lidl, Aldi, Danone and Coca-Cola European Partners - to launch the fund with an initial total of almost £500,000. Within two months the Foundation was able to secure additional funding from the original launch partners as well as from Heineken, giffgaff, Southern Co-op and Jefferies International, raising a total of over £1.23 million.

The funds were offered to all causes in the Neighbourly network and distributed as £400 emergency micro-grants on a first-come first-served basis to qualifying groups that were supporting local communities suffering as a result of the pandemic. Knowing how integral these funds were going to be for the organisations receiving them, the grant application process was made easy and simple, with the aim of getting the funds out as quickly as possible, to lessen the impact of COVID-19 on vulnerable communities by providing food and other emergency provisions.

With the support of the Neighbourly development team, the Foundation was able to fast-track further development on the Neighbourly platform - building a unique, high security, integrated payments system that not only allowed charities to easily apply for and check on the status of their grant applications but also enabled the Foundation to distribute much needed funds from businesses to local communities even more quickly and efficiently. In total, micro-grants were distributed to over 2,800 local charities, supporting over 1 million people during a time of unprecedented crisis.

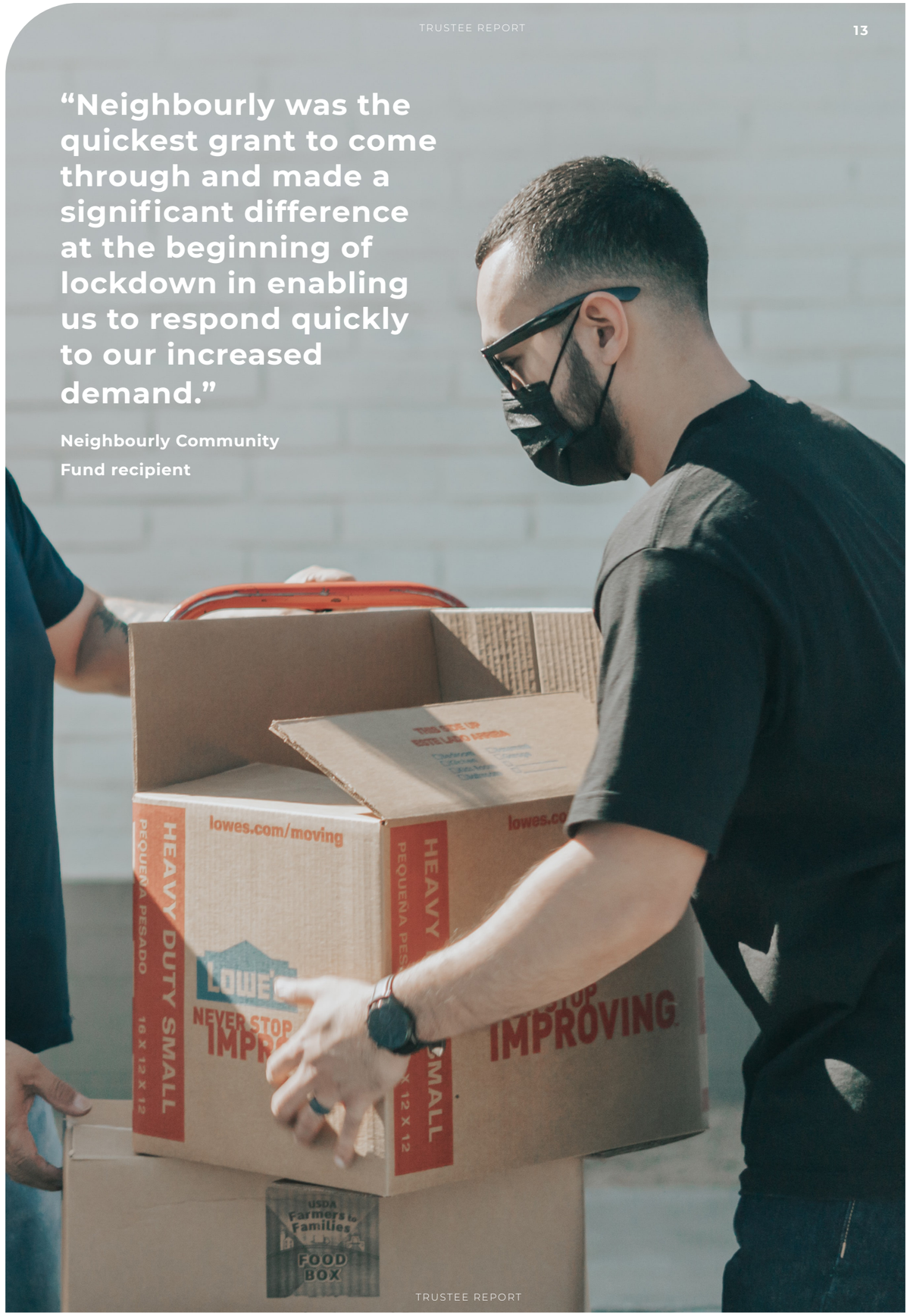
Following the distribution of the grants, Neighbourly surveyed the charities in receipt of the micro-grants. For the majority (61%) of causes, purchasing food to make up emergency food parcels was a top priority. In addition, two in every five causes had used some of the funds to purchase basic essentials, such as toiletries for care packages, whilst one fifth used some of the money to pay for PPE including face coverings and masks. 68% of organisations said the funding helped them to look after people's mental health and 69% said it helped them provide comfort to isolated people.

£1.23m

of funding raised between March and May 2020

"Neighbourly was the quickest grant to come through and made a significant difference at the beginning of lockdown in enabling us to respond quickly to our increased demand."

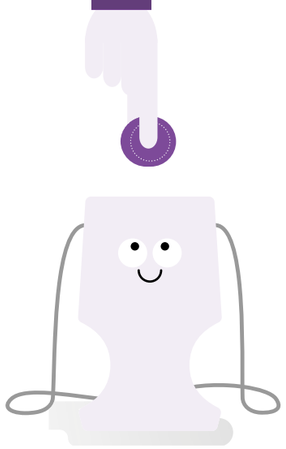
Neighbourly Community Fund recipient



Achievements and performance

Responding to Growing Need

- In July 2020 research conducted by the charity Pro Bono Economics showed UK charities were expecting to endure a funding shortfall of just over £10bn over the following six months as a result of COVID-19
- The charity sector's income was predicted to fall by £6.7bn at the same time as demand for services was predicted to rise by the equivalent of £3.4bn
- Around one in 10 charities expected to go out of business, and small charities with incomes below £500,000 a year were highlighted as being especially at risk
- In June 2020, Neighbourly's network of charities and good causes were reporting a 106% rise in demand compared with pre-pandemic levels. By November that year, the rise was 150%
- Also in June, 75% of causes said they had needed to remodel services in order to continue throughout the first wave of the pandemic
- In November 2020, two thirds of charities reported an income drop during the preceding six months.



The Neighbourly Community Fund - Phase 1

Launched in March 2020 as an emergency response to COVID-19, phase 1 of the community fund distributed £1.23 million from corporate donors as £400 micro-grants to over 2,800 charities and community groups. As with all Neighbourly Foundation programmes, 100% of the donated funds were awarded to the charities.

The first grants were paid out within 2 days of launch, thanks to the establishment of a rapid response team within Neighbourly. End of campaign research found that the fund positively impacted over 1 million people. 100% of respondents said they found the funding valuable and 77% extremely so. Respondents also reported that on average, three out of six of the other emergency COVID funds they had applied for had not yet been received by August of that year.

> **"It may not seem like much money, but these micro-grants really make a difference to the sector and beneficiaries. Having access to these grants a couple of times a year would be a great boost to the sector."**
>
> Neighbourly Community Fund recipient

2,800
charities and community groups received micro-grants



"One of the things that makes me most proud to work at M&S is the role we play in our local communities. Not just through the brilliant service our colleagues give to our customers, but through the time and energy they give to helping those most in need. We can't do this on our own and so we partner with organisations like Neighbourly who link our stores to local causes so we can donate surplus food and non-food products to the people who really need it. This fund is helping to mobilise over 1,000 local charities and organisations across the UK to support the most vulnerable members of our community. The whole M&S family is involved – including M&S Bank and M&S Energy – so we can keep up the support communities need most as events unfold."

Steve Rowe, CEO of M&S

Cadent Gas

£27,500 was donated by Cadent through the Neighbourly Foundation to charities and community groups via the Cadent Matched Giving programme.

These funds were donated to causes that Cadent employees are passionate about and match their own fundraising efforts. Grants were paid out up to the value of £1,600 with the recipient groups available to access more than one grant and free to determine how they applied the funds. This programme has generally supported causes that promote healthy living and wellbeing.

“The additional £2,000 donated from Cadent will make a huge difference to our patients and their families. This amount could be used to cover the running costs of our Day Therapy unit for a whole 24 hours, allowing our outpatients access to social opportunities, stimulating activities and emotional support to help with their illness.”

LOROS, recipient of the Cadent programme

giffgaff

£22,000 was donated by giffgaff through the Neighbourly Foundation to 19 good causes as part of their giffgaff Gives Back campaign.

Grants were paid out in value ranging from £555 to £1,700 to organisations that their staff and members cared about and that aligned with their key impact themes of addressing data poverty and supporting Black Lives Matter and LGBT+.

“Working with Neighbourly made complete sense - as it meant we were able to give back to local communities we might not have otherwise reached. This enabled us and our generous members to make a meaningful change by helping people to stay connected to friends and family.”

Ash Schofield, CEO of giffgaff

RSA Insurance

£289,000 was donated by RSA through the Neighbourly Foundation as part of their Climate Change and Education Grants programme to 42 organisations tackling climate change, reducing carbon emissions and promoting risk education and behaviour change.

Grants ranged in value from £500 to £4,000. Funding originated from RSA’s dividend forfeiture programme which distributed unclaimed dividends to charities, CICs and community organisations working towards climate change and risk education goals.

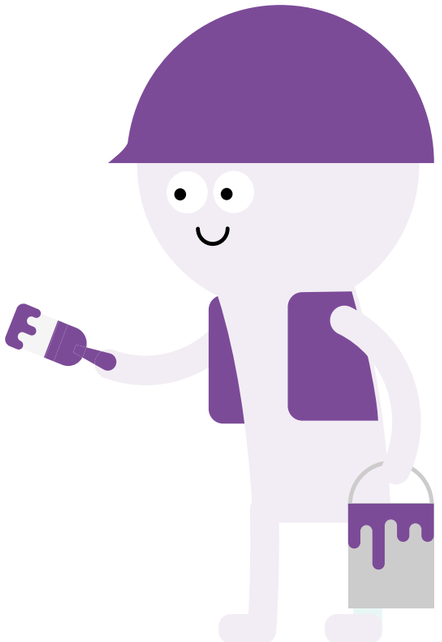
“A huge thanks to RSA and Neighbourly for the £10,000 grant the Breck Foundation has received from the RSA’s Climate Change and Risk Education Programme. This grant will enable us to educate thousands of children and young people in South-East England about online grooming and exploitation.”

Breck Foundation, recipient of the RSA programme

Heineken

£4,000 was donated by Heineken through the Neighbourly Foundation as part of their Brewing Good Cheer campaign and local brewery outreach.

The Brewing Good Cheer recipients were chosen by employees or nominated by a pub, with a focus on tackling loneliness. Grants ranged in value from £150 to £500.



Southern Co-op

£43,000 was donated by Southern Co-op through the Neighbourly Foundation as part of their Feed a Family and Love Your Neighbourhood programmes.

Through ‘Feed a Family’ they donated grants of £200 to 35 good causes that were within 10 miles of a Southern Co-op retail store or ELS branch and were directly supporting local people with food provision. Through the ‘Love Your Neighbourhood’ programme they donated grants of £500 to £1,600 to causes local to Southern Co-op stores that focus on creating greener, safer, healthier and more inclusive neighbourhoods. In March 2020, Southern Co-op also contributed to the Neighbourly Community Fund as a valuable founding partner.

Aldi

£72,800 was donated by Aldi through the Neighbourly Foundation as part of their Community Cupboard programme.

The funding was distributed as £400 micro-grants to organisations supporting children with food provision. It has been estimated that 247,806 people affected by food insecurity were positively impacted through these grants. In March 2020, Aldi also contributed to the Neighbourly Community Fund as a valuable founding partner.

“The funding enabled us to be able to deliver food parcels to our members during the pandemic. Members answered the door with beaming smiles and some with tears of joy for seeing a friendly face or anxiety for the future. Thank you for this grant, it has made a wonderful positive impact on our members’ mental wellbeing during a very challenging time”

MHA Communities, recipient the Southern Co-op programme

“We have been able to use the funds to purchase essential food supplies to use in our food bags for families all over Glasgow. This has helped us feed almost 200 families every week with all the essentials they need to cook nutritious meals. Go Dharmic has been working with several schools to ensure that we are able to reach those in need but may be reluctant to ask for help.”

Go Dharmic Glasgow, recipient of the Aldi Community Cupboard



35

good causes received grants of £200 through Southern Co-op’s ‘Feed a Family’ programme

Corporate partners

We'd like to thank the Foundation's corporate partners for their contributions to the Foundation during this period. Without their support and continued dedication to community investment, we would not have been able to positively impact the many thousands of charities and millions of individuals that have benefited from our programmes.

Neighbourly Community Fund partners & donors:

M&S, Lidl, Aldi, Danone, Coca-Cola European Partners, Heineken, giffgaff, Southern Co-op and Jefferies International.

Ongoing Neighbourly Foundation partners:

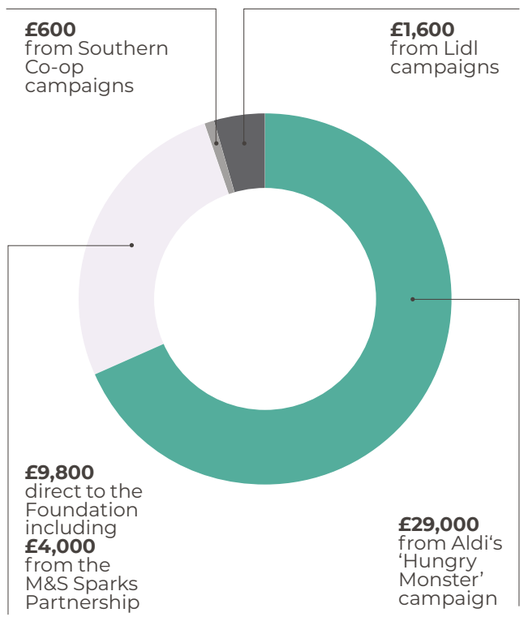
- **B&Q** - B&Q Foundation
- **Cadent Gas** - Cadent Matched Giving
- **RSA** - RSA Climate Change and Education Grants
- **Aldi** - Community Cupboard & Neighbourly Community Fund
- **giffgaff** - giffgaff Gives Back
- **Heineken -** Brewing Good Cheer
- **Southern Co-op** - Feed a Family, Love Your Neighbourhood

Individual donors

In the 2020-21 period, a number of partner campaigns facilitated donations from customers, through text-to-give mechanics, loyalty scheme partnerships and online payments made on the Neighbourly platform.

£41,000

was donated in total, which breaks down as follows:



148,000

estimated people positively impacted by the B&Q Foundation grants

Trusts and Foundations

B&Q Foundation

£589,000

was donated in the 2020-21 period by the B&Q Foundation through the Neighbourly Foundation to charities helping people in need due to financial hardship, ill health, disability or other disadvantage.

Projects funded include improving, maintaining, providing or creating places to make people feel comfortable, safe and welcome. Grants ranged in value from £500 t o £5,000. It is estimated that 148,000 people were positively impacted through these grants.

Charity partners

Donations have been made through the following programmes:

Programme	Charities supported
B&Q Foundation	131
Cadent Gas	34
RSA	172
Aldi	183
giffgaff	19
Heineken	25
Southern Co-op	86
Neighbourly Community Fund	2,874



Key Sustainable Development Goals supported by the Foundation:

SDG	Grand total	% by SDG
Good health and wellbeing	£1,045	45%
No poverty	£320	14%
Zero hunger	£279	12%
Reduced inequalities	£224	10%
Sustainable cities and communities	£122	5%
Quality education	£99	4%
Gender equality	£26	1%
Other	£185	8%
Grand total	**£2,300**	**100%**

Grants are made based on completion of an online application form, which significantly reduces the time it takes for a charity to apply, compared to completing and submitting paper forms. Grant awards are made based on qualifiers against the grant terms and are made on a first come first served basis, they are not competitive. All recipient charities are strictly vetted by our partner Neighbourly prior to any award being made

3,524

charities and community causes supported across all programmes, that support an average of 372 people every week

1.3m

people supported weekly by the charities that have received donations from the Foundation

Our commitment to donors and supporters

We are grateful for the generosity of our donors and supporters and we commit to:

- Safeguard personal details and abide by data protection laws
- Work closely with the Foundation's charity and community cause network to ensure that donations are used for the purpose for which they are given
- Distribute donations so they have the maximum impact
- Provide impact reports on the social and environmental benefits of the donations
- Be open and transparent about vetting and distribution processes and procedures
- Encourage feedback and foster close relationships
- Provide the services of a dedicated support team

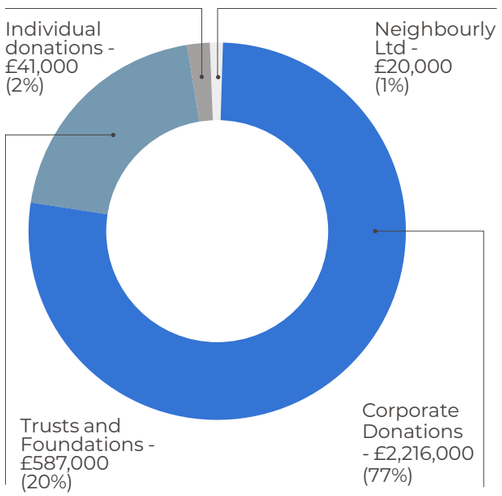
Financial review 2020-21

During our first reporting period the Neighbourly Foundation received £2.84m of restricted funding and donated £2.28m in grants to charitable organisations.

Where our income comes from

All of our income has come from donations, either from the Foundation's corporate partners, trusts and foundations, individual donors or Neighbourly Ltd. All donations are treated as restricted with the exception of Neighbourly Ltd, whose donation is to support running costs of the charity.

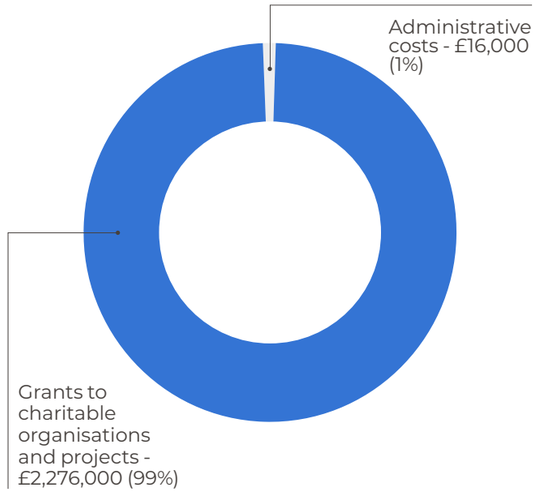
The donations are split across the categories as follows:



Where we spend our income

Our sole activity is granting funds to other charitable organisations and projects, therefore this accounts for 99% of our spend. Any administrative costs, for example audit fees, insurance etc, are covered by donations from Neighbourly Ltd.

Expenditure is split as follows:





Reserves

The majority of cash at bank is restricted with only a small balance being unrestricted. Grants are then made to charitable organisations from balances held on behalf of corporate and other donors. Unrestricted funds are held to cover the running costs of the charity including, for example, audit fees and insurance.

Under the Strategic Partnership Agreement with Neighbourly Ltd, all resources to enable the charity to operate e.g. access to the Neighbourly platform and staff costs, are provided free of charge. The trustees have concluded that it is necessary to maintain only minimal reserves to cover the running costs of The Neighbourly Foundation and at any time sufficient reserves are held to cover three months of committed expenditure.

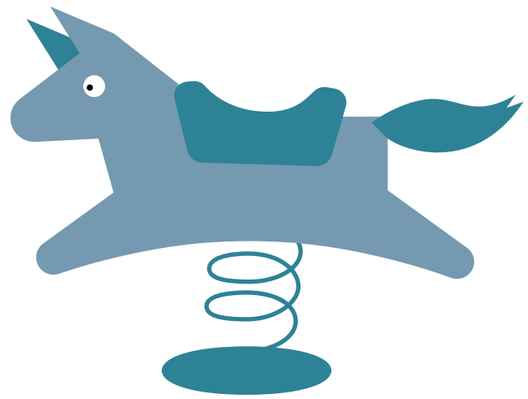
> **At the period end the charity had total reserves of £571k with restricted reserves of £565k and unrestricted reserves of £6k.**

The restricted reserves are not available for general purposes of the charity and are to be donated to other charitable organisations in the next period.

The unrestricted reserves will be expended on the administrative costs of running the charity and as any additional costs arise Neighbourly Ltd will fund accordingly.

Going concern

The trustees have a reasonable expectation that The Neighbourly Foundation has adequate resources through its partnership with Neighbourly Ltd to continue to operate for the foreseeable future. Hence the annual financial statements have been prepared on the going concern basis. Please refer to the Notes to the Financial Statements for further detail.



Principal risks and uncertainties



The Neighbourly Foundation is only able to continue its work thanks to the donations of its corporate and other donors, whilst the demand for our services is only going to increase.

In the event that sources of funding were to decline the Foundation would take steps to identify other sources of funds to enable it to continue to support the causes to which it is committed, although that would clearly depend on the amount of funding it was able to access.

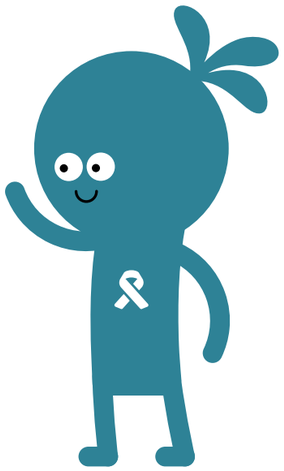
The Foundation relies on the support of its partner Neighbourly to deliver grants to the charities that benefit. Without such support the charity would need to put in place infrastructure to deliver its services and would need to identify new sources of funding in order for it to do so.

The Foundation is operating in a challenging environment due to a number of factors. The ongoing impacts of COVID-19 are continuing to create huge strain for the charitable sector as well as long-term financial and health implications for beneficiaries. Future waves of COVID-19 are expected to create significant uncertainties and spikes of demand for charities and community organisations, whilst they face reduced funding and resources, increased costs and reduced volunteer capacity. The UK is also facing ongoing upheaval as a result of Brexit and rising energy costs which will plunge more families into poverty. An additional threat for communities is climate related disasters, including flooding which is currently the principal climate risk for the UK.

The Neighbourly Foundation has been proactive in providing guidance to its network of causes regarding the management of risks whilst continuing to survey causes periodically to ensure we remain responsive to changing needs. Neighbourly continues to expand its number of corporate partners donating through the Foundation in order to provide relevant support for causes and communities.

The Foundation relies on the support of its partner Neighbourly to deliver grants to the charities that benefit

Structure governance and management



The Neighbourly Foundation is a company limited by guarantee (12541286) (England and Wales) incorporated 31 March 2020 and is registered with the Charity Commission as a charity (1189514). It is governed by its Memorandum and Articles of Association adopted on the same date.

Objects

The Objects of the Foundation as set out in the Memorandum and Articles of Association. The Foundation has been established to advance general charitable purposes for the public benefit and will operate principally by granting funds to charitable organisations and projects which are charitable under the law of England and Wales (provided that the Charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).

Organisation

The charity was established on 31 March 2020 as a company limited by guarantee, with Neighbourly Ltd as its sole member. Further to a Special Resolution of 26 February 2021 the membership was transferred from Neighbourly Ltd to Howard Russell one of its Trustees, and further to a Resolution of 13 September 2021, to all Trustees from time to time. The liability of each member under the guarantee is £1.

The Foundation has a Strategic Partnership Agreement with Neighbourly Ltd under which Neighbourly has agreed to provide Resources to the Foundation free of charge for the Foundation to pursue its charitable purposes.

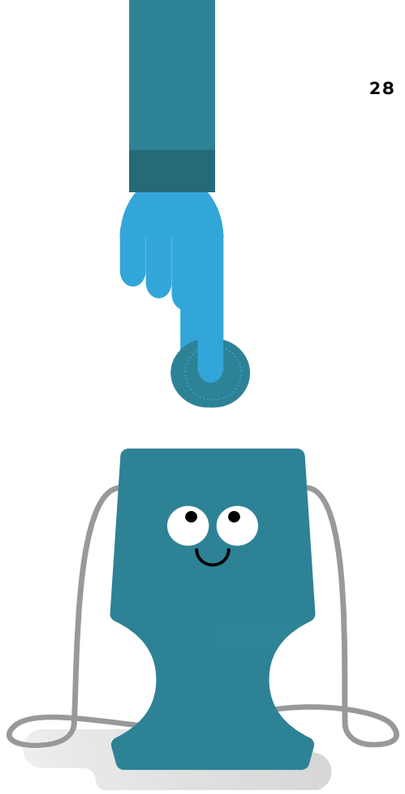
The relationship between the two organisations is one of association and collaboration and not one involving direction or control. Neighbourly recognises and understands that the Trustees have responsibility for governing the Foundation and does not interfere in the day to day running of the Foundation. Neighbourly does not act in any way that prejudices the independent decision-making of the Trustees or which inhibits the Trustees' ability to fulfil their charity law duties.

The Articles contain a conflict of interest provision to ensure that Neighbourly Connected Directors cannot participate in any decision making that the Trustees recognised as Independent Directors consider relates to the relationship between the Neighbourly Foundation and Neighbourly.

Board meetings are held quarterly which during the period to the date of this report have been held virtually.

Related parties

Steve Butterworth acts as the Chair of the charity and is also the CEO of Neighbourly Ltd. Chris Kelly is non-executive Director of Neighbourly Ltd. Both own shares in that company.



Remuneration

None of our trustees receive remuneration or other benefit from their work with the charity.

Recruitment of Trustees

The charity ended the year with four Trustees supporting the charity. As the charity grows it will aim to recruit additional trustees who have the skills the charity needs to develop. It values the benefits of having members with different backgrounds, expertise and experience.

Trustee induction and training

All new trustees will undertake an induction programme, which includes visiting our partner Neighbourly, understanding the roles and duties of the trustees, company and charity law and governance, and financial and risk management.

Risk management

The trustees are cognisant of the reliance that the Foundation has on its partnership with Neighbourly. The trustees regularly seek assurances that support remains in place and will do so for the foreseeable future.

Public benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning future activities. The Neighbourly Foundation's focus on COVID recovery, community health and wellbeing, skills development and environmental stewardship, working in partnership with local charities and community groups, will have a direct and positive benefit on individuals that are isolated, marginalised or vulnerable and those living in deprived neighbourhoods.

Fundraising standards

The Trustees are aware of current legislation and updated guidance from the Charity Commission. We are a fully contributing member to the Fundraising Regulator and follow best practice in our fundraising. We are compliant with the regulation where it applies to us. We do not contract with third party fundraising organisations.



By order of the board of trustees
Steve Butterworth (Chair)

Our charity details

Charity Name:
The Neighbourly Foundation

Registered Charity Number:
1189514 (England and Wales)

Registered Company number:
12541286 (England and Wales)

Trustees and Directors:
Steve Butterworth (Chair of Trustees since 31 March 2020)
Chris Kelly (since 31 March 2020)
Howard Russell (since 27 April 2020)
Nicholas Smailes (since 27 April 2020)

Registered office:
Desklodge House Redcliffe Way Bristol BS1 6NL

Bankers:
Lloyds Bank, 3rd Floor, 25 Gresham Street, London, EC2V 7HN

Legal advisers:
Bates Wells, 100 Queen Street Place, London, EC4R 1BE

Auditors:
Bishop Fleming LLP, 10 Temple Back, Bristol, BS1

Statements of Trustees responsibilities

The charity trustees (who are also the directors of the Neighbourly Foundation for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.



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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



By order of the board of trustees
Steve Butterworth (Chair)
26 January 2022

Independent Auditors report

Opinion

We have audited the financial statements of The Neighbourly Foundation (the 'charity') for the period ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the period 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial period for which the financial statements are prepared is consistent with the financial statements
- 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 our 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 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; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of the trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and Trustees in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

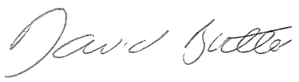
We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the trustees 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 trustees those matters we are required to state to them in an Auditors' 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 trustees for our audit work, for this report, or for the opinions we have formed.



David Butler FCA DChA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back, Bristol, BS1 6FL
Date: 26th January 2022

Financial statements

The Trustees present their annual report together with the audited financial statements of the Charity for the period from 1 March 2020 to 31 March 2021.

The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). Since the Charity qualifies as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.



Statement of financial activities for the 13 months ended 31 March 2021

(incorporating income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	2021 Total Funds
		£'000	£'000	£'000
Income from:				
Donations and legacies	2	-	2,841	2,841
Other income	3	22	-	22
Total		**22**	**2,841**	**2,863**
Expenditure on:				
Charitable activities	5	16	2,276	2,292
Total		**16**	**2,276**	**2,292**
Net income/(expenditure)		6	565	571
Reconciliation of funds:				
Total funds carried forward		**6**	**565**	**571**

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 38 to 43 form part of these financial statements.

Balance sheet at 31 March 2021

	Notes	2021
		£'000
Current assets		
Debtors	10	16
Cash at bank		569
Total		**585**
Creditors		
Amounts falling due within one year	11	(14)
Net current assets/(liabilities)		571
Total net assets		**571**
Charity funds		
Restricted funds	12	565
Unrestricted funds	12	6
Total funds		**571**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Steve Butterworth - Chair of Trustee
Date: 26 January 2022

The notes on pages 38 to 43 form part of these financial statements.

Cashflow statement for the 13 months ended 31 March 2021

	2021
	£'000
Cash flows from operating activities:	
Net cash provided by / (used in operating activities	569
Change in cash and cash equivalents in the reporting period	569
Cash and cash equivalents at the beginning of the period	0
Cash and cash equivalents at the end of the period	**569**

Reconciliation of net income to net cash flow

	2021
	£'000
Net income for the period:	571
Adjustments for:	
Decrease/(increase) in debtors	(16)
Increase in creditors	14
Net cash provided by operating activities	**569**

Notes to the financial statements

General Information

The Neighbourly Foundation is a charitable company limited by guarantee and not having a share capital, registered in England and Wales. The registered office is Desklodge House, Redcliffe Way, Bristol, BS1 6NL. The members of the charity are the Trustees named below:

Steve Butterworth
Chris Kelly
Howard Russell
Nicholas Smailes

1. Accounting Policies

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Neighbourly Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

GOING CONCERN

The accounts have been prepared on a going concern basis which assumes that sufficient working capital will be available for operational requirements.

To conclude on this basis the trustees reviewed the cash flow forecast to February 2023 (12 months from the date of signing). As ongoing funding from Neighbourly Ltd is also key in our considerations, the budget and cash flow forecasts of the company were also reviewed. No material uncertainties were identified.

INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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

All expenditure is inclusive of irrecoverable VAT.

INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

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

LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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 which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

2. Income from donations and legacies

	Restricted funds	Total funds
	2021	2021
	£'000	£'000
Donations	**2,841**	**2,841**

3. Other incoming resources

	Unrestricted funds	Total funds
	2021	2021
	£'000	£'000
Income from participating interests	**22**	**22**

4. Analysis of grants

	Grants to Institutions	Total funds
	2021	2021
	£'000	£'000
Grants	**2,276**	**2,276**

The Neighbourly Foundation provides micro-grants to support good causes in line with the charitable objectives. Further analysis can be found under the **'Charity Partners'** heading earlier in this report

5. Analysis of expenditure on charitable activities (Summary by fund type)

	Unrestricted funds	Restricted funds	Total funds
	2021	2021	2021
	£'000	£'000	£'000
Charitable activities	**16**	**2,276**	**2,292**

6. Allocation of support costs

Support costs of £16,000 are allocated to charitable activities. These costs include audit and accountancy fees (£13,000) legal fees (£1,000), bank fees (£1,000) and insurance (£1,000). All other support costs are borne directly by Neighbourly Limited and are not recharged to The Neighbourly Foundation as it is not possible for the allocation to be accurately determined.

7. Auditors remuneration

The auditors' remuneration amounts to an auditor fee of £8,500, and preparation of accounts of £2,000.

8. Staff costs

Staff costs are borne wholly by Neighbourly Limited and not recharged to The Neighbourly Foundation.

9. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits. During the period ended 31 March 2021, no Trustee expenses have been incurred.

10. Debtors

	2021
	£'000
Due within one year	
Amounts owed by participating interests	16
Total	**16**

11. Creditors: Amounts falling due within one year

	2021
	£'000
Other creditors	1
Accruals and deferred income	13
Total	**14**

12. Statement of funds

Statement of funds - current period	Income	Expenditure	Transfers in/out	Balance at 31 March 2021
	£'000	£'000	£'000	£'000
Unrestricted funds				
Income from participating interests	22	(16)	-	6
Restricted funds				
B&Q	589	(589)	-	-
Cadent	34	(28)	-	6
Heineken	42	(4)	(20)	18
Other restricted funds	29	-	-	29
RSA	318	(289)	-	29
Southern Co-op	143	(43)	-	100
giffgaff	23	(22)	-	1
Aldi	374	(73)	-	301
Community fund - COVID19	1,289	(1,228)	20	81
	2,841	**(2,276)**	**-**	**565**
Total of funds	**2,863**	**(2,292)**	**-**	**571**

B&Q: These funds are allocated to support charities helping people in need due to financial hardship, ill health, disability or other disadvantage.
Cadent: These funds are restricted to fund causes that Cadent employees are passionate about and match their own fundraising
Heineken: These funds are restricted to fund causes selected by the donor. In 2021 these focussed on tackling loneliness.
RSA: These funds are allocated to Climate Change and Education Grants, tackling climate change, reducing carbon emissions and promoting risk education and behaviour change.
Southern Co-op: These funds are allocated to good causes local to South Co-op stores that support people with food provision or help deliver greener, safer, healthier and more inclusive neighbourhoods.
giffgaff: These funds are allocated to supporting good causes that staff and members cared about and that align with key impact themes of addressing data poverty and supporting Black Lives Matter and LGBT+.
Aldi: These funds are allocated to aid organisations supporting children with food provision.
COVID-19 Community Fund: These funds are restricted to support local communities suffering as a result of the pandemic.

13. Summary of funds

	Income	Expenditure	Transfers in/out	Balance at 31 March 2021
	£'000	£'000	£'000	£'000
General funds	22	(16)	-	6
Restricted funds	2,841	(2,276)	-	565
Total	**2,863**	**(2,292)**	**-**	**571**

14. Analysis of net assets between funds - current period

	Unrestricted funds	Restricted funds	Total funds
	2021	2021	2021
	£'000	£'000	£'000
Current assets	20	565	585
Creditors due within one year	(14)	-	(14)
Total	**6**	**565**	**571**

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2021
	£'000
Net income for the period (as per SOFA)	571
Adjustments for:	
Decrease/(increase) in debtors	(16)
Increase in creditors	14
Net cash provided by operating activities	**569**

16. Analysis of cash and cash equivalents

	2021
	£'000
Cash at bank and in hand	569
Total cash and cash equivalents	**569**

17. Analysis of changes in net debt

	Cash flows	2021
	£'000	£'000
Cash at bank and in hand	**569**	**569**

18. Members ' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

19. Related part transitions

The Neighbourly Foundation has not entered into any related party transaction during the period, nor are there any outstanding balances owing between related parties and The Neighbourly Foundation at 31 March 2021.

Trustees remuneration and expenses is detailed in note 9.

20. Controlling party

On incorporation Neighbourly Limited was identified as a Person With Significant Control in relation to The Neighbourly Foundation. Neighbourly Limited ceased to be a Person With Significant Control on 26 February 2021. Howard Russell was appointed as a Person with Significant Control on 26 February 2021. Howard Russell ceased to be a Person with Significant Control after the year end on 13 September 2021. There is no registrable person or registrable relevant legal entity at the date of signing.





neighbourly

The Neighbourly Foundation

Trustees Report and Financial Statements