



The Neighbourly Foundation

# Trustees Report and Financial Statements

For the period from 1 March 2020 to 31 March 2021





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# 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 that 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.**

### **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



**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.**

### **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.

“

**Through partnership with Neighbourly Ltd, the Foundation aims to extend its reach and impact in 2022**

**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.



# 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

## 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

## 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

## 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.

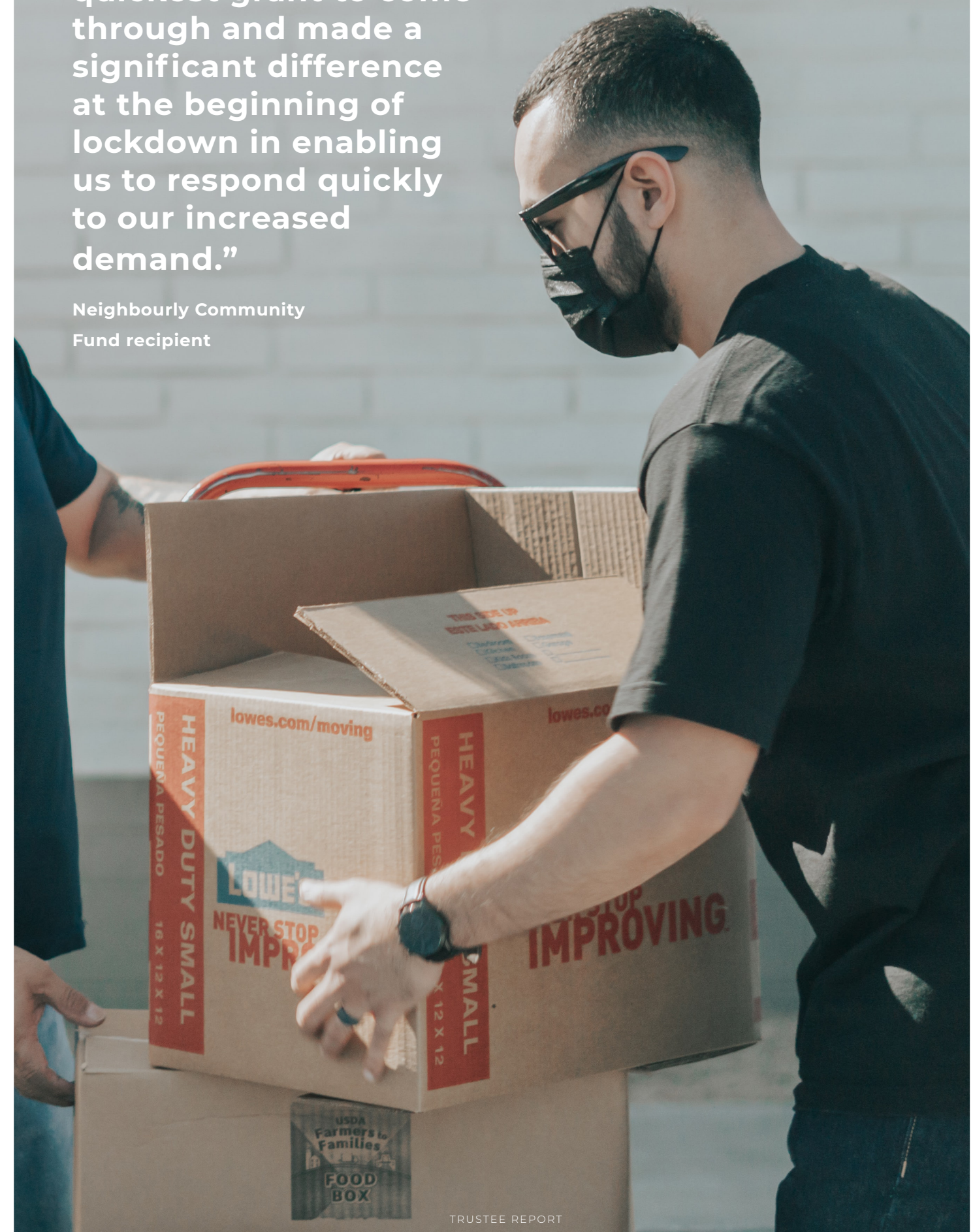
With the support of the Neighbourly development team, the Foundation was able to fast-track further development on the Neighbourly platform - building a unique, high security, integrated payments system that not only allowed charities to easily apply for and check on the status of their grant applications 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**

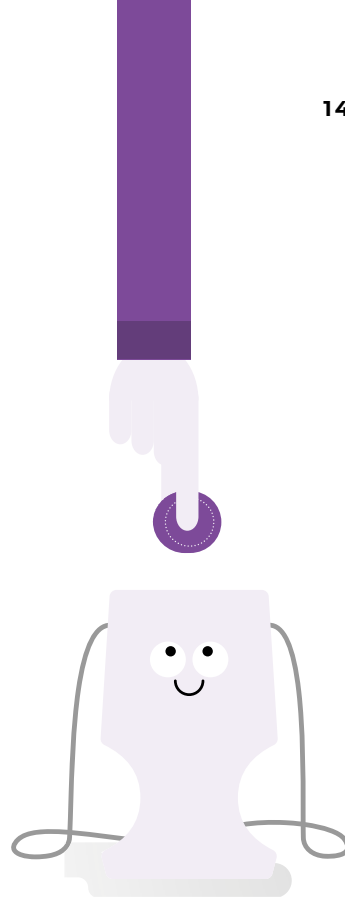




# Achievements and performance

## 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.

## 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+.

**“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

**“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.

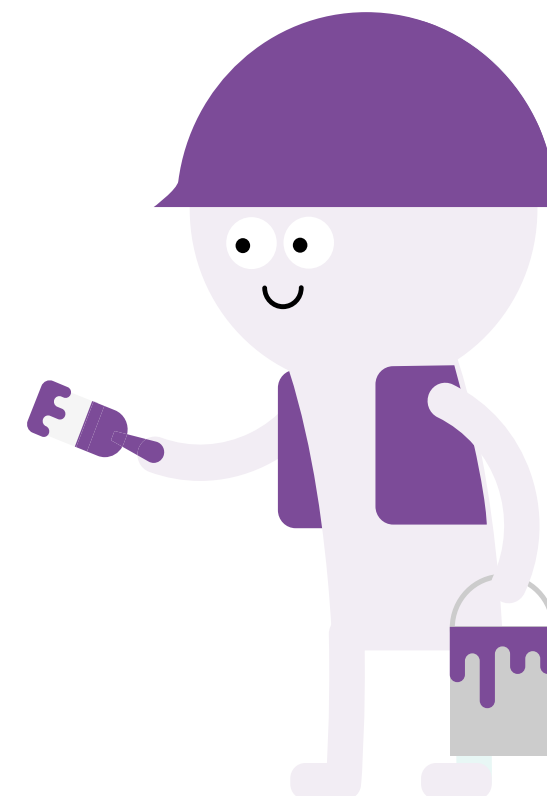
## Heineken

**£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.

**“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





## 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.

**"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

## 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.

**"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:

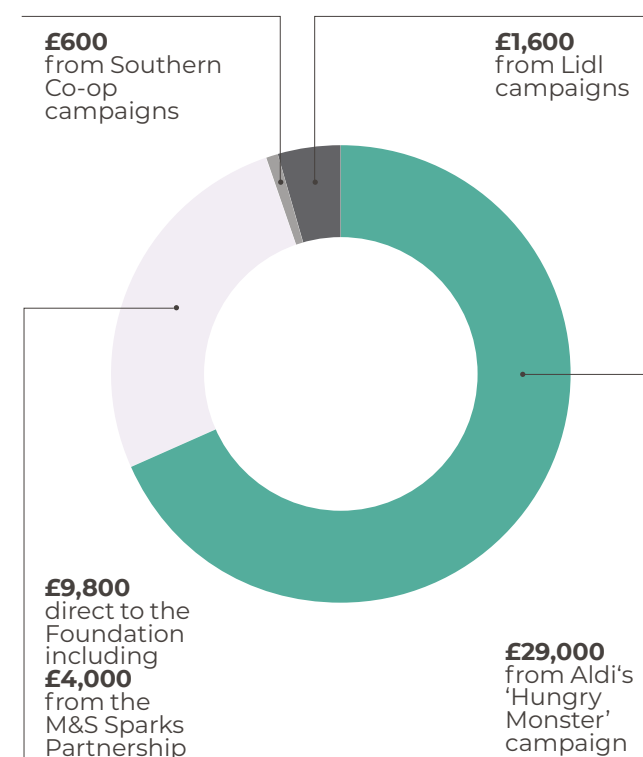
- **B&Q** - B&Q Foundation
- **Cadent Gas** - Cadent Matched Giving
- **RSA** - RSA Climate Change and Education Grants
- **Aldi** - Community Cupboard & Neighbourly Community Fund
- **giffgaff** - giffgaff Gives Back
- **Heineken** - Brewing Good Cheer
- **Southern Co-op** - Feed a Family, Love Your 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 to £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%
<b>Grand total</b>	<b>£2,300</b>	<b>100%</b>

## 3,524

charities and community causes supported across all programmes, that support an average of 372 people every week



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

## 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



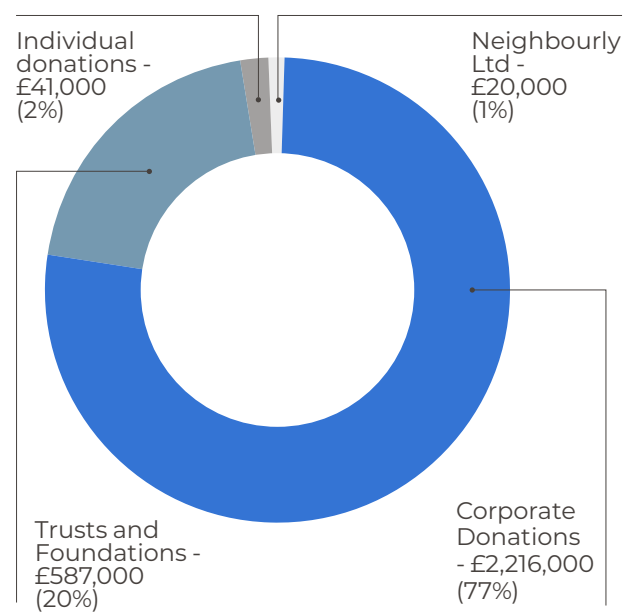
# Financial review 2020-21

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.

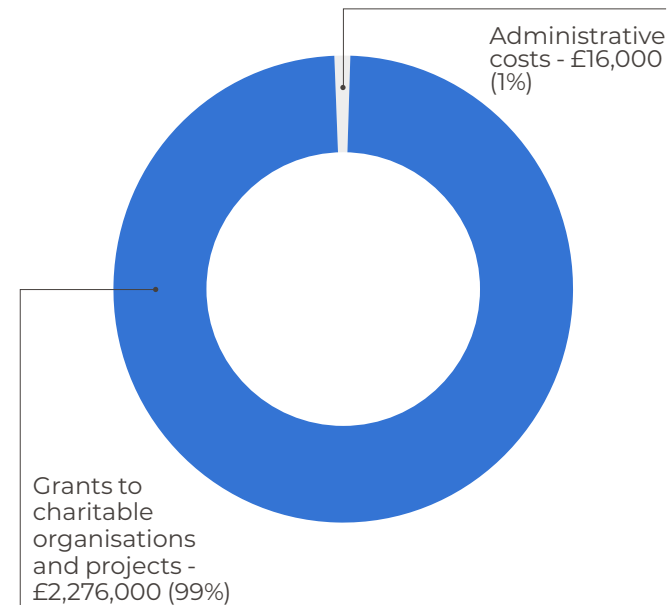
The donations are split across the categories as follows:



## 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.

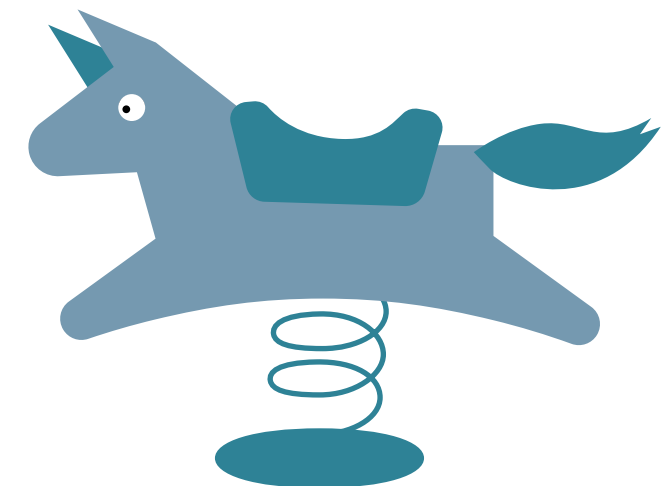
**At the period end the charity had total reserves of £571k with restricted reserves of £565k and unrestricted reserves of £6k.**

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 relies on the support of its partner Neighbourly to deliver grants to the charities that benefit**

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.

# 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.

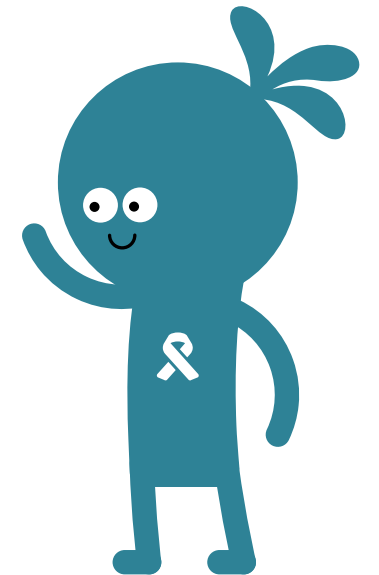
The relationship between the two organisations is one of association and collaboration and not one involving direction or control. Neighbourly recognises and understands that the Trustees have responsibility for governing the Foundation and does not interfere in the day to day running of the Foundation. 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.

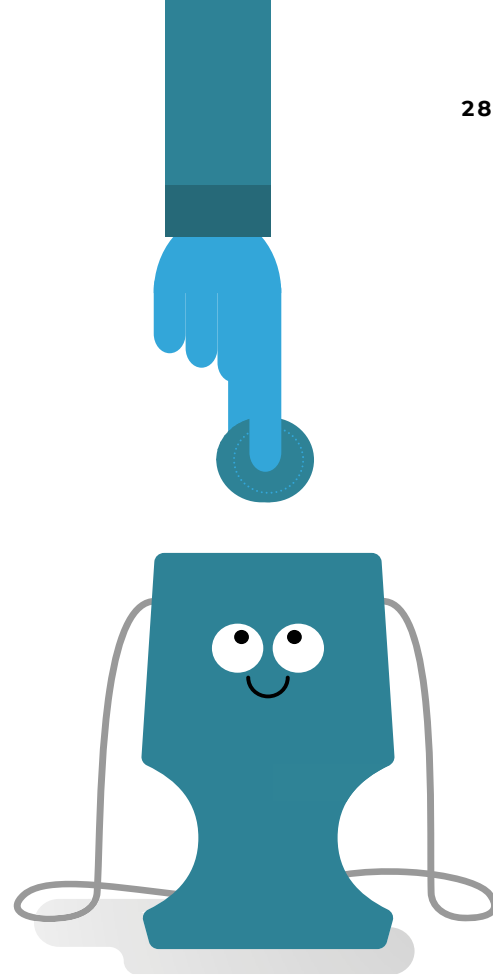
Board meetings are held quarterly which during the period to the date of this report have been held virtually.

## 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:

Deskclodge 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.

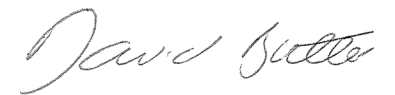
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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](http://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
<b>Income from:</b>				
Donations and legacies	2	-	2,841	2,841
Other income	3	22	-	22
<b>Total</b>		<b>22</b>	<b>2,841</b>	<b>2,863</b>
<b>Expenditure on:</b>				
Charitable activities	5	16	2,276	2,292
<b>Total</b>		<b>16</b>	<b>2,276</b>	<b>2,292</b>
Net income/(expenditure)		6	565	571
<b>Reconciliation of funds:</b>				
<b>Total funds carried forward</b>		<b>6</b>	<b>565</b>	<b>571</b>

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
<b>Current assets</b>		
Debtors	10	16
Cash at bank		569
<b>Total</b>		<b>585</b>
<b>Creditors</b>		
Amounts falling due within one year	11	(14)
Net current assets/(liabilities)		571
<b>Total net assets</b>		<b>571</b>
<b>Charity funds</b>		
Restricted funds	12	565
Unrestricted funds	12	6
<b>Total funds</b>		<b>571</b>

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
<b>Cash flows from operating activities:</b>	
Net cash provided by / (used in operating activities)	569
<b>Change in cash and cash equivalents in the reporting period</b>	<b>569</b>
Cash and cash equivalents at the beginning of the period	0
<b>Cash and cash equivalents at the end of the period</b>	<b>569</b>

## Reconciliation of net income to net cash flow

	2021 £'000
<b>Net income for the period:</b>	<b>571</b>
<b>Adjustments for:</b>	
Decrease/(increase) in debtors	(16)
Increase in creditors	14
<b>Net cash provided by operating activities</b>	<b>569</b>

# 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 Desk Lodge 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
<b>Unrestricted funds</b>				
Income from participating interests	22	(16)	-	6
<b>Restricted funds</b>				
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
<b>Total of funds</b>	<b>2,863</b>	<b>(2,292)</b>	<b>-</b>	<b>571</b>

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
<b>Total</b>	<b>2,863</b>	<b>(2,292)</b>	<b>-</b>	<b>571</b>

### 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)
<b>Total</b>	<b>6</b>	<b>565</b>	<b>571</b>

### 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
<b>Adjustments for:</b>	
Decrease/(increase) in debtors	(16)
Increase in creditors	14
<b>Net cash provided by operating activities</b>	<b>569</b>

### 16. Analysis of cash and cash equivalents

	2021
	£'000
Cash at bank and in hand	569
<b>Total cash and cash equivalents</b>	<b>569</b>

### 17. Analysis of changes in net debt

	Cash flows	2021
	£'000	£'000
<b>Cash at bank and in hand</b>	<b>569</b>	<b>569</b>

### 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.





The Neighbourly Foundation

## **Trustees Report and Financial Statements**