

**THE COMMUNITY FOUNDATION FOR NORTHERN IRELAND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
**REPORT OF THE BOARD OF TRUSTEES**

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The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2023.

**STRUCTURE, GOVERNANCE and MANAGEMENT**

The Community Foundation for Northern Ireland (the Foundation) was established under a Trust Deed and was incorporated in 1979. The Foundation is accepted as a charity by HMRC under reference XN45242. The Foundation is registered as a charity with the Charity Commission for Northern Ireland (NIC105105).

The Trustees of the Foundation for the year ending 31 March 2023, who have all been trustees for the whole year ended on that date, except as noted below, are listed on page 1.

The Trustees expressed their appreciation to Shelley Martin who stepped down from the Board in March 2023, after serving two terms as a Trustee and member of the Grant-making Sub-Committee. The Trustees were delighted to welcome four new Trustees to the Board in June 2022 - Rhyannon Blythe, Gerard Deane, Justin Kouame and Caolan Ward.

The Foundation is administered by a Board of up to 14 Trustees who are assisted in their work through two standing committees (the Finance and Resources Committee and the Grant-making Committee) which involve Trustees and external co-opted members. In addition, a number of Selection Panels are involved in the decision-making process with regard to the award of grants. Advisory Panels also meet regularly to support our programmes. These panels normally comprise a significant number of volunteers from other organisations and backgrounds who bring specific knowledge to the process, including those with lived experience of the issues we are trying to address. Each of the sub-committees reports directly to the Board, which approves all major strategic decisions and has overall responsibility for all the Foundation's activities. All Trustees and Advisory Panel members serve in a voluntary capacity.

The Chief Executive, Roisin Wood, manages the day-to-day operations of the Foundation with support from the senior management team and wider staff team.

**Trustee-selection, appointment and competence**

When Trustee vacancies arise, we advertise these on our website and via social media. We also consider recommendations from existing Trustees. The Nominations Committee (a small group of Trustees plus the CEO) is appointed by the Board to interview potential candidates for the role of Trustee and to bring a shortlist of recommendations to the Board for decision. Candidates are considered in the context of skills, diversity, geographical and sectoral balance.

Trustees are appointed for a term of 3 years (renewable for a further 3-year term). All Trustees participate in an annual appraisal with the Chairperson of the Board. This involves an annual review of the Trustee's own performance and the performance of the Chairperson and the Board. The Vice-Chairperson carries out the appraisal of the Chairperson. The Board conducts an annual review of skills and diversity needs and maintains the personal competence of Board members through relevant training.

**Trustee Induction and Training**

New Trustees receive a comprehensive induction pack which includes the Foundation's Governance Manual. The manual provides details on policy and practice; the Foundation's strategy, aims and activities; management and governance and what is expected of Trustees under charity law, with reference to the Charities Acts (2008 & 2013). New Trustees are also provided with opportunities to meet staff and grantees to learn about the work undertaken by the Foundation.

**AIMS and OBJECTIVES**

The Community Foundation for Northern Ireland is a local, independent charitable foundation, connecting people who care with causes that matter. We help communities in need, drive social change and change lives, through impactful grant-making, research, strategic partnerships and delivering innovative programmes. Supporting bespoke giving and providing philanthropic advice we are a trusted, secure means through which donors choose how, when and where to give and we provide a range of management and grant-making services for charitable funds.

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**Vision**

Our vision is a peaceful, shared and socially just Northern Ireland.

**Mission**

To connect people who care with causes that matter.

In a society where everyone can prosper and live in peace; we encourage and support those who want to give and empower the local community to effect change.

**Strategy and Key Objectives**

The Board approved a five year strategy in March 2019, covering the period April 2019 to March 2024. We are committed to being true to our values of Generous, Thriving and Together and to continually adapting to meet our community's needs. We believe that involves working on the following priorities:

**Inspiring Generosity:** In a sector heavily reliant on public funding, there is a gap in the market for an organisation to increase the amount and effectiveness of philanthropic donors. As well as supporting communities, by giving and connection to charitable causes, changed attitudes amongst donors can change society. Over 5 years we aim to raise £33m of new funds to support NI communities;

**Achieving Impact - Building sustainable communities:** Local community organisations have untapped potential to bring peace and social justice, that could be unlocked by access to more resources, new approaches, relationships, skills and technologies. We want to enable a stronger community sector equipped to face today's challenges;

**Achieving Impact - Community Voice:** Public trust in government and politics is extremely low and there are few opportunities for people to influence the decisions that affect their lives - with the right support civil society can change this by reinvigorating civic participation and pushing for deeper democracy. We will support communities to find their voice and use it;

**Achieving Impact - Thriving after the conflict:** The conflict is still actively affecting the lives of some communities, individuals and families. We will enable communities who are still suffering from the effects of the conflict to challenge the underlying causes of conflict, division and disadvantage in their areas;

**Achieving Impact - People on the Edge:** There are still groups of people who society overlook; particularly refugees and asylum seekers, travelers and the more vulnerable LGBTQ communities. We will work towards a safer NI for those most marginalised and vulnerable (starting with refugees and asylum seekers, and then the vulnerable LGBTQ+ and travelling community).

**Grant-making Policy**

As a grant-making charity, our focus is to make grants that help support important causes in Northern Ireland. We manage grant funds from a range of donors and funders, and we listen to their views on how they want their funds to be used. Our grant making is underpinned by our own values and experience. Our grant processes set out the decision-making authority for different funds and ensure that all grant applicants are treated fairly and equitably.

We have further developed our commitment to making grants in a way that reflects the realities facing VCSE organisations, now, and for the foreseeable future. We sit on the IVAR (Institute for Voluntary Action Research) Steering Group which encourages funders to adopt flexibility and a more open and trusting approach to grant making. We have listened to what our grantees are telling us through our Grantee Network, in particular where they have said that they have a need for longer term funds which include some non-prescriptive funding to support their core costs. We are trying to embed this in our funds and encourage other funders to do the same.

We use specific grant-making criteria for each fund to ensure that grants awarded support the furtherance of the Foundation's charitable objectives; make the best use of our resources and have maximum impact.

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**Public Benefit**

The Community Foundation for Northern Ireland provides grants and community development support to local communities to enable them to address issues of social justice. All grants are awarded on the basis of evidence that the funding will have a positive impact on the local community and the beneficiaries.

**The prevention or relief of poverty:** Grants to disadvantaged communities will provide support and facilities in these areas, providing local people with improved access to benefits advice and support and training to develop their skills to gain employment.

**The advancement of education:** Grants to individuals and organisations will enable them to access training and skills to develop their learning and improve their employment prospects.

**The advancement of health or the saving of lives:** Grants to organisations will enable local people to access activities such as physical activities and healthy eating awareness programmes that will improve their health and well-being.

**The advancement of citizenship or community development:** Grants to communities will bring local people together to develop facilities and services in their local area that will improve their well-being and social inclusion.

**The advancement of the arts, culture, heritage or science:** Grants to individuals and organisations will enable people to access the arts and take part in music, drama, craft workshops and other activities that will improve their social inclusion, skills and well-being.

**The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity:** Grants to organisations will enable these organisations to address issues of social justice and human rights in their communities and engage in capacity building to address contentious issues in interface communities. This will improve the safety and well-being of local people.

**The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage:** Grants to individuals and organisations will enable local people to access support and activities which address their needs, thus reducing their isolation, improving their social inclusion and well-being.

The above benefits are demonstrated through research, feedback and evaluations taken from our donors, funders and grantees and the general community. There is no harm or potential for harm as a result of our purposes.

**Network and other relationships**

The Community Foundation is active in the Northern Ireland Funder Forum, Philanthropy Ireland and the UK Community Foundations network as well as being a member of the ACF (Association of Charitable Foundations) and FFP (Foundations for Peace). The Community Foundation believes that active involvement in both local and international networks provides important shared learning as well as reciprocating the support that Northern Ireland has gleaned from international interest and donors over past years.

**Risk Management**

The Trustees have a risk management strategy which comprises:

- identification and regular review of the risks the Foundation may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.

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The Trustees have identified the following risks and have action plans in place to manage the risks:

- Failure to deliver community impact through our grant-making;
- Failure to retain and attract new donors;
- Failure to listen to communities and understand community needs;
- Inadequate or ineffective governance structures and strategy;
- Failure to comply with legislation;
- Ineffective or inefficient management of resources;
- The impact of external factors such as the pandemic and climate change on our activities and our beneficiaries.

The task of monitoring the Foundation's financial control systems and procedures is delegated to the Finance and Resources Committee.

**CHARITABLE ACTIVITIES, ACHIEVEMENTS and PERFORMANCE**

We are a grant-making charity with a focus on making grants that help the most marginalised and vulnerable people in Northern Ireland. We provide support to communities in Northern Ireland through small and large revenue grants across a range of themes and issues, as well as providing grants and support to community groups through a range of different grant-making and support models.

Detailed below are some of our achievements and impact during the past year.

**Our Team**

We are lucky to have a fantastic team of staff who are passionate about making a difference to local people in Northern Ireland and to living our values of Generous, Thriving and Together. We are continuing to develop our culture of workplace wellbeing and encourage our staff to have a positive work-life balance and to prioritise their health and wellbeing. Our staff team has grown over the past year, and we were delighted to welcome these new staff to join our loyal and committed team.

**Climate Action**

As a signatory of the Association of Charitable Foundations' Funders Commitment to Climate Change, we have continued our work on climate action, as detailed below:

**Commitment 1: Educate and Learn - We will make opportunities for our trustees, staff and stakeholders to learn more about the key causes and solutions of climate change.**

In 2022/23, some of our team undertook training facilitated by the European Community Foundations with a strong focus on how community foundations become part of the solution to the Climate Crisis. In addition trustees, staff and wider stakeholders were given the opportunity to increase their learning and understanding on climate change at a very local level through our Civic Innovation Programme, which included two projects with a focus on climate issues.

**Commitment 2: Commit Resources - We will commit resources to accelerate work that addresses the causes and impacts of climate change.**

In 2022/23, we continued to develop our staff Climate Action Working Group and developed a Climate Action Plan which was approved by our Trustees. This is now being rolled out over the next three years.

We have secured external funding and committed some of our own resources to deliver the Acom Farm, a five year programme to develop a unique urban growing space within the City of Derry. The programme is being delivered by several partners and will include a series of geodesic dome growing spaces in St Columb's Park. It will become an iconic eco-tourism and visitor destination as well as a focal point for local community climate action and food growing, provide horticulturalist support, programme community engagement and offer formal and informal learning opportunities.

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We are also supporting climate action through a number of Community Benefit Grant Funds, supported by local Windfarms, by encouraging applicants to consider projects that support renewable energies, energy efficiencies and energy poverty.

**Commitment 3: Integrate - Within all our existing programmes, priorities and processes, we will seek opportunities to contribute to a fair and lasting transition to a post carbon society, and to support adaptation to climate change impacts.**

In 2022/23, we approved a Climate Justice Action Plan which is part of our new strategy, covering the next three years. We have continued with hybrid working to reduce staff commuting to the office.

**Commitment 4: Steward our investments for a post carbon future - We will recognise climate change as a high-level risk to our investments, and therefore to our mission. We will proactively address the risks and opportunities of a transition to a post carbon economy in our investment strategy and its implementation, recognising that our decisions can contribute to this transition being achieved.**

In 2022/23, we have continued to develop and implement an ethical investment policy, with negative screening against fossil fuels, in addition to other ethical restrictions, and positive screening to actively invest in green energy and sustainable investments.

**Commitment 5: Decarbonise our operations - We will take action to minimise the carbon footprint of our own operations.**

Following a gradual part-time return to the office, we have yet to make progress on this issue. Now that we have established a hybrid working policy, we will prioritise an assessment of our carbon footprint in our 2023/24 plans.

**Commitment 6: Report on progress - We will report annually on our progress against the five goals listed above. We will continue to develop our practice, to learn from others, and to share our learning.**

We report annually to ACF on our progress and attend the ACF Climate Action seminars to engage with and learn from other Foundations on their climate action. In 2023/24, we plan to add our climate action plans and progress reports to our website.

#### **Grant-making**

- We continue to receive a high number of applications to our funds and received 1582 applications this financial year. 304 of these applications were from new applicants.
- We awarded 783 grants totaling £8,326,037
- Our average grant was £10,594

Our funding breakdown outlines how our funding has led to, or will lead to the following outcomes;

- £35,000 improved health (physical / mental / emotional)
- £1,494,360 improved access to community infrastructure and resources
- £2,035,825 improved access to services and support
- £37,267 improved aspirations for the future
- £108,402 improved community cohesion
- £178,830 improved community facilities
- £5,000 improved economic wellbeing
- £1,369,282 improved mental health and wellbeing
- £116,690 improved nutrition
- £102,892 improved or expanded local environment and/or public space
- £30,999 improved perception and feeling of safety in local area
- £671,811 improved physical health and wellbeing
- £592,150 improved promotion of human rights and equality



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- £58,816 improved social networks
- £51,974 increased community leadership and advocacy
- £17,264 increased community resilience
- £45,205 increased conservation of local natural spaces and heritage
- £122,869 increased creativity
- £27,959 increased digital inclusion
- £190,325 increased educational attainment
- £5,000 increased knowledge of legal processes and rights
- £22,799 increased literacy and/or numeracy skills
- £15,900 increased organisational capacity and expertise
- £20,000 increased organisational sustainability
- £164,535 increased participation in arts, culture and heritage
- £10,100 increased practical skills
- £9,000 increased support for people with specific needs to live independently
- £119,470 increased understanding of community issues and priorities
- £3,361 increased volunteering and social action
- £5,000 reduced carbon footprint (i.e. waste, emissions, energy)
- £281,459 reduced food and fuel poverty
- £75,000 reduced levels of homelessness for individual people
- £74,219 reduced levels of loneliness for individual people
- £5,000 reduced offending/anti-social behaviour
- £170,274 reduced social isolation
- £52,000 reduced stigma and discrimination

For those projects that completed during 2022-23 our actual impact is;

- 5,934 people improved access to community infrastructure
- 1,363 used more sustainable transport systems
- 5,844 improved access to services and support
- 105 are on the pathway to self-employment
- 178 felt better prepared for work
- 21,601 people participated in projects that improved community cohesion
- 3,727 increased awareness and understanding of other cultures
- 3,022 were able to have a say in decisions that affect them
- 13,961 felt an increased sense of belonging in their community
- 13,857 had improved access to community facilities
- 51 new community facilities were created
- 2,688 hours of respite were provided
- 5,435 reported successful treatment for mental health
- 3,575 reported a reduction in stress and anxiety
- 8,482 reported significantly improved mental wellbeing
- 3,198 had increased resilience
- 6,874 reported increased self esteem
- 481 people reported better access to healthy food
- 33 hectares on natural space were maintained or improved
- 22 hectares of natural space were restored or created
- 2,453 Number of people reporting increased awareness, understanding and support for conservation
- 14,874 reported improved physical wellbeing
- 4,039 participated in sport or exercise
- 1,190 people participated in programmes to promote human rights and equality
- 20,088 reported improved social networks
- 5,373 reported they felt less lonely

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- 6 independent research papers were developed
- 347 people took action in a campaign
- 113 organisations worked in collaboration
- 5,623 reported increased skills and knowledge
- 260 people felt more digitally included
- 11,297 increased participation in arts, culture and heritage
- 206 work or volunteering opportunities were developed in the arts sector
- 25 people with specific needs were able to seek support to enable them to live independently
- 402 people reduced their carbon emissions
- 3,579 felt reduced food poverty
- 959 felt reduced fuel poverty
- 50 evictions were avoided
- 200 people moved from street homelessness to sheltered housing
- 11,934 felt less lonely
- 27,909 felt less socially isolated
- 578 felt they faced less social stigma and discrimination

We have been taking a collaborative approach to grant making alongside government bodies, other funders and stakeholders, to ensure funding is reaching the right people at the right time. We appreciate the support we have received from the local community and our grant applicants and grantees over the past year and their recognition of our flexibility and support as a trusting funder.

### **Inspiring Generosity**

We continue to encourage donations and new funds towards the causes, people and places that need it most, supporting philanthropic long- and medium-term investments in local communities. Huge thanks to all our partners and funders without whom, achievements would not be possible. The highlights over the last year were:

- New endowment and revenue fund income for the community and voluntary sector, including significant new investments in Mid Ulster, in Homelessness and in food sustainability and climate action through the launch of our Derry/Londonderry Acorn Farm project;
- New opportunities progressed in partnership with individuals, corporates and charitable trusts, including cross border partnerships with AXA, RTE Toy Show and the All-Island Fund where we brought 30 partners together in September with Community Foundation Ireland;
- We invested further in both communications and fund development, recruiting a Fund Development Manager and a Communications Manager. During the period all social platforms, broadcast and print media saw an increase in reach, engagement and followers and we further increased our voice, advocating for the sector post covid and through the cost-of-living crisis;
- The 3rd Philanthropist of the Year award went to Mrs Angela Moore for her support for education and young people in NI. This annual recognition in partnership with IOD is awarded by our philanthropy network whose work is hugely important during these financially challenging times for our sector;
- We continued our legacy match fund scheme, rolling this out and promoting it to professional advisors across NI. A total of two new gifts in wills were pledged to CFNI during the period;
- A series of capacity building resources for philanthropy including digital fundraising, making social enterprise work, trusts and foundations fundraising, managing finances and corporate partnerships were developed for the sector and are available on our website.

Looking ahead and playing our part in advocating for funders and the sector, we contributed to charity commission consultations, liaised with our colleagues in the NI Funders Forum, the Association of Charitable Funders and UK Community Foundations where we are members and benefit from training and learning. Working in partnership with the Department of Finance and Department for Communities, we organised and attended many network and leadership meetings, including an innovation lab on Digital Inclusion to progress our research into digital needs in the sector and Dormant Assets, where we consulted on need.

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**Building sustainable communities**

- We continued with our Climate Justice subgroup and developed a Climate Justice Action Plan. We will continue to refine this and work on our climate pledges. Climate Action is a key priority area for the Foundation over the course of its 2023-2026 strategy.
- Micro-Community Investment Fund (in partnership with Bank of Ireland) continued to test the Assets Based Approach to grant applications, assessment and development, changing the narratives of how communities are described in a normal deficit/issued based approach.

**Community Voice**

- **Housing & Homelessness Innovation & Voice Programme** - to date, seven project teams have participated in the creative problem-solving workshops to support idea generation for possible solutions to Female Homelessness, Homelessness affecting asylum seekers and refugees and Early Intervention. The Programme Steering Group reviewed the programme through a participative evaluation process facilitated by the external evaluator. This helped in developing a pathway for the current phase of the Programme.
- An event focused on fostering collaboration around the issue of housing and homelessness was organised in partnership with Housing Rights. Putting the ME in HoME and the US in HoUSing was held on Wednesday 26th October 22 in Belfast. The event was attended by over 100 people representing 30 organisations from across the Voluntary Community Social Enterprise sector and public sector representatives including the Dept for Communities, the Northern Ireland Housing Executive, and people with lived experience.
- A new adapted innovation programme, with increased support for project teams to engage in the process, was developed with the CFNI teams, WorkWest and Community Places. The additional support included more workshops and training on setting outcomes and preparing a pitch, as well as advice and support from the Programme officer throughout the process.
- 10 project teams were recruited to participate in the programme and all teams participated in the creative problem-solving process across 2 cohorts in both Belfast and Coleraine. 9 teams completed all workshops and 8 teams applied for the Seed Fund grant.
- The Steering group decided on a Participatory Budgeting (PB) process for the allocation of Seed Fund awards. The event will be the largest PB event in Northern Ireland and will take place on 20th July 2023.
- **Techies in Residence** – We carried out further research on the digital needs of the VCSE sector and launched our Wired-Up report. This report has formed the basis of our approach to digital inclusion and galvanised funders, tech providers and the community sector to collaboratively address the needs of the VCSE sectors. We hope to launch some funds and programmes in this area over the course of our 2023-2025 strategy.



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- **Civic Innovation** – we held a celebration event in October 22 for the Civic Innovation programme which came to an end in March 2023. In total the programme supported the development of 7 collaborative projects to address a range of democracy related challenges; bringing those affected most by the issues closer to decision making processes. A wide range of issues were supported, such as sustainable food systems, community planning and local decision making, spatial planning and placemaking, education reform, environmental planning, language and culture, criminal justice reform, social welfare and local community participation and decision making. We were also delighted that the programme won a UK Award for Civic Innovation.

#### Thriving after the Conflict

- Working with the International Fund for Ireland through the Peace Impact Programme, we continue to support community groups and organisations in areas and communities within Northern Ireland, where tensions remain high at times;
- Our Grassroots Leadership Programme entered its final year. Over the course of the programme 42 activists from 34 community-based organisations completed the programme. In addition:
- Over 700 one to one mentoring sessions provided to participants to assist with leadership development and support them to overcome challenges local communities are facing.
- Five Level 7 Leadership and Management qualifications and 33 Level 5 Leadership and Management qualifications completed.
- 38 Leadership in Action projects developed addressing a range of community issues.
- 5 people moved to the Social Change Initiative's middle leadership programme.
- Host of other leadership development support provided including the importance of self-care to activism, developing grant proposals, public speaking and presenting, Foursight (creative problem solving), leadership types and styles, conflict management.
- In November 22, we held a major conference for women, the Nothing About Us Without Us event saw over 200 diverse, grassroots women from across Northern Ireland convene to talk about the needs of women not just today, but in the future. The conference saw a call to action for an All-Women's Health Strategy for Northern Ireland, bringing us into line with other UK jurisdictions. We aim to build on this call to action throughout 2023.
- Under the Social Justice Fund we supported 19 projects to the value of £118k.
- We continued our work under the Human Rights Fund and developed plans to reinvigorate and re-energise the fund. We are excited to see our plans roll out over the next 3 years.

#### People on the Edges

- We continued our commitment to working with the most disadvantaged people in NI, and becoming a more diverse and inclusive organisation and were delighted to receive a Bronze Award for Diversity from Diversity Mark. We will continue to develop our work in this area.
- We continued to support fledging organisations to develop their capacity and confidence through our New Voices programme, supported by the Garfield Weston Foundation.

#### Financial Review and Results

The Foundation received income from a variety of sources, including other Foundations and Trusts, private donors and the statutory and private sectors. In addition the Foundation utilises some of the income from its (invested) endowment funds to meet some of its core costs. In 2022/23, the principal sources of income came from the Department of Health, Comic Relief, Community Foundation Ireland (for all island related partnerships), International Fund for Ireland, Oak Foundation, Porticus, The Sigrid Rausing Trust, private individuals and UK Community Foundations.

The Statement of Financial Activities on Page 19 indicates that the Foundation had income of £4,432,592 which was exceeded by expenditure of £14,674,797 by £10,242,205. Losses on investments were £902,734.

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The Balance Sheet on Page 20 shows that the Foundation had total funds of £39,060,196 at 31 March 2023 (2022: £50,205,135). Unrestricted funds available to the Foundation at the Balance Sheet date totalled £922,982 (2022: £957,048). Unrestricted funds include £33,886 of designated funds. Restricted funds amounted to £18,738,569 (2022: £26,944,700). The Foundation's capital endowment funds were £19,398,645 at the year end (2022: £22,303,387).

**Investment Policy and Performance**

The investment objective for the main portfolio is to generate a total return of 5.5% per annum over the long term, after investment management fees. In 2022-23, the total return after investment management fees was 0.6% (2022: 8%). It has been a difficult year for investments due to world and economic events. While our investment returns have been lower than our target, Trustees are content with the Investment Strategy that we have in place and review this regularly with our investment managers. Our endowment funds are invested in perpetuity and therefore we take a long-term view of investment returns. Over the past five years, our average annual return has been in line with the target.

The Trustees have wide investment powers and retain overall responsibility for the management of the Foundation's investments. The Trustees have delegated authority to the Finance and Resources sub-committee to:

- Develop and propose an Investment and Expenditure Policy to Trustees.
- Define an asset allocation policy for the investments.
- Oversee and approve investment decisions concerning the Foundations capital reserves.
- Review the performance of the Foundation's investments and report to Trustees regularly.

The Foundation utilises the services of suitably qualified and experienced Investment Managers to manage its investment portfolio and to provide advice and administration services in relation to investments. However, the Trustees recognise that we are ultimately responsible for the management of the Foundation's investments.

The Foundation requires the Investment Managers to carry out negative screening and avoid investments in armaments, alcohol, fossil fuels, human rights abuses, tobacco and pornography. The Trustees also require the investment managers to carry out positive screening, i.e. investing in companies that show leadership in product design, employee policies, environmental protection, human rights or other practices. The Investment Managers are also required to consider the reputational risk in relation to the Foundation's ethos and mission, and draw any such potential reputational risk to Trustees' attention.

**Reserves Policy**

The Trustees take a risk-based approach to setting our reserves requirements for the following year. Income projections are considered in terms of value and certainty. Income that is deemed high or medium risk is "uncertain" and is therefore provided for in our reserves. If we do not meet our income targets for high and medium risk income for 2023/24, we have identified the shortfall in funding that may exist and designated £220,000 from our Community Foundation Endowment Funds as a general reserve to cover the next year's expenditure requirements.

The balance on unrestricted reserves at the year end was £922,982. This includes a designated fund of £33,886 to meet the costs of redundancy payments in the event of staff on fixed term contracts being made redundant. The balance of unrestricted funds once this designated fund is deducted is £889,096. These funds have been ear-marked for unrestricted grant-making and a number of projects over the next two years.

**Reserves Policy – restricted funds**

It is the policy of the Trustees to hold any funds received for a specific purpose as restricted funds.

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**Reserves Policy – Capital Endowment Fund**

It is the policy of the Trustees to hold the capital fund as a restricted fund with the aim of ensuring a suitable future income stream to finance the ongoing work of the Foundation. The capital fund is represented by a portfolio of investments in equities, bonds, managed funds, property and cash products.

During 2022/23 we launched a match funding initiative to support legacy donations to the Foundation. We have ring-fenced match funding of £300,000 from our endowment for the legacy match funding initiative. To date (March 2023), we have designated £100,000 of the match funding towards £500,000 of future donations in wills. This is shown in the accounts as a designated endowment fund.

**FUTURE PLANS**

We carried out the review of our 2019-2024 strategy and the development of our new strategic plan a year early. This was completed in March 2023 covering our work for the next three years and will be launched in early 2023/24.

We will be working hand in hand with communities to build a better future through ambitious but achievable targets.

The key strategic priorities for the next three years are:

- engaging and support communities;
- driving equity, diversity and inclusion;
- improving wellbeing.

We will, with passion and integrity, continue to;

- Build our financial sustainability via diverse income streams and ethical investments;
- Develop open, trust-based, innovative and agile grant-making processes;
- Support donors and funders to develop their plans for giving.

We have launched a grant-making strategy built on the principles of;

- Working collaboratively to influence policy;
- Advocating for communities;
- Using impact and knowledge to inform policy and practice.

We will continue to work with existing donors whether they are individuals, corporates, statutory bodies or other foundations/funding bodies. We would like to take this opportunity to thank all our donors and partners for their continuing support in 2022/23. We look forward to welcoming new donors/funding partners, strategic partners and grant applicants over the coming year.

**Responsibilities of the Trustees in relation to the financial statements**

The Trustees are required to prepare financial statements for each year which give a true and fair view of the state of affairs of the Foundation at the year end and of the results for that period. In preparing those financial statements the trustees:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in being.

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The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation. The Trustees are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Tenders for the provision of audit services are normally sought every five to six years. A tender process was carried out in 2018 which resulted in Moore (N.I.) LLP (formerly Moore Stephens (NI) LLP) being appointed as auditors until March 2023. A new tender process will begin in 2023/24 for the appointment of auditors from April 2024.

On behalf of the Board of Trustees



Adrian Johnston (Chairperson)

28/09/2023