

**COMMUNITY FOUNDATIONS FOR  
LANCASHIRE AND MERSEYSIDE**

**FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2015**

**Company Number : 3422207**

**Charity Number : 1068887**

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**YEAR ENDED 31 MARCH 2015**

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# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## YEAR ENDED 31 MARCH 2015

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### COMPANY INFORMATION

Bankers: Santander  
Bridle Road  
Bootle  
L30 4GB

Solicitors: Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
L2 3YL

Investment Managers: Rathbones Investment Management Ltd  
Port of Liverpool Building  
Pier Head  
Liverpool  
L3 1NW

Investec Wealth & Investment Ltd  
The Plaza  
Old Hall Street  
Liverpool  
L3 9AB

CCLA Investment Management Ltd  
80 Cheapside  
London  
EC2V 6DZ

Auditors: Beever and Struthers Chartered Accountants  
Central Buildings  
Richmond Terrace  
Blackburn  
BB1 7AP

Financial Advisers: Parker Kelly Financial Services  
Vincent House  
17 Stanley Street  
Liverpool  
L1 6AA

Registered office: Community Foundations for Lancashire and Merseyside  
Third Floor  
Stanley Building  
43 Hanover Street  
Liverpool  
L1 3DN

# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

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### TRUSTEES' REPORT

The trustees (who are also directors for the purposes of company law) present their Report and the Financial Statements for the year ended 31 March 2015 for the Community Foundations for Lancashire and Merseyside, hereafter referred to as CFLM.

### REFERENCE AND ADMINISTRATIVE DETAILS

The charity, which was formerly known as Community Foundation for Merseyside, is constituted as a company limited by guarantee and not having any share capital. The company is registered in England and Wales, number 3422207, and its principal governing document is the company Memorandum and Articles of Association (as amended by special resolution on 4 December 2013). The charity is also registered with the Charity Commission, number 1068887.

The charity is constituted as a company limited by guarantee, with the Trustees / Directors being the only members at year end.

Details of the advisers to the company are shown on page 2.

### Trustees and senior staff

The persons who have acted as Trustees during the year and appointed since year end are:

A Roberts (Chair)  
W Bowley  
A Myers  
W Swift  
T Hephrun (Resigned July 2014)  
M Eastwood (Retired December 2014)  
S Yeoman (Retired December 2014)  
A Pointing (Resigned April 2015)  
D McDonnell (Resigned April 2015)  
C Bliss (Appointed October 2014)  
A Meachin (Appointed January 2015)  
CB Murphy (Appointed April 2015)  
AS Barrow (Appointed April 2015)  
WD Waring (Appointed July 2015)

The senior staff during the year were:

C Elliott	Chief Executive
K Morris	Community Development Director
S Langfeld	Operations Director

### Summary of our Purpose & Aims

The Community Foundations for Lancashire & Merseyside operate as one independent registered charity and are part of a UK and international movement of community foundations that distribute community funding, including via grant-making, facilitate and administer community philanthropy as local philanthropy centres and contribute to achieving positive social change as local community leaders.

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- Our Vision is to enrich the lives of people in and around Lancashire and Merseyside and through them create united, thriving and prosperous communities.
- Our Mission is to invest funding strategically under charity law that meets the needs of local communities, placing us as the charity of choice for philanthropists and funding partners, and the primary funder for the areas' social sector.
- Our Strategy is to understand the needs of local communities and philanthropists and, by creating partnerships and involving philanthropists, to ensure that these needs are met.
- Our Theory of Change is: "We seek and work with philanthropists to empower them to engage in targeted social investment to contribute to enriching local people's lives and supporting the creation of united, prosperous and thriving communities."

Our Values are: Pride, Transparency, Working Together and Community Leadership

### Our 2014/15 Annual Review

#### Introduction

Community Foundation funding distribution has taken place in Merseyside since 1999 and in Lancashire since 2007, investing in total over £48 million in around 11,000 voluntary and community groups during that time across Lancashire and Merseyside to support communities to be prosperous and thriving.

As the Community Foundation serving Lancashire and Merseyside we aim to inspire, delight, surprise and even move those people and organisations who wish to give with us, following in the footsteps of many centuries of passionate philanthropists. We also know that there are many valuable community activities taking place to meet local need, tackle social issues and support community aspirations that are led and delivered by passionate people working in groups, community organisations, charities and social enterprises. As Community Foundations it is our role to connect those philanthropists and communities together to improve local people's lives, and this is embedded in our belief that your community makes you and you make your community.

#### Our Merger in April 2014

The most significant event during 2014/15 for the Community Foundations was its merger, bringing Community Foundation for Lancashire together with Community Foundation for Merseyside under Merseyside's former charity number, 1068887, after over six years of close collaboration. The staff team worked closely with the Trustees of both Community Foundations to ensure a smooth merger process, taking into account local views whilst achieving efficiencies. A major change in Board membership took place during the year as valued and long-serving trustees retired and new trustees, especially from the business sector joined us to support our community leadership, philanthropy development and growth agenda. We ensured consistency during that time with Lancashire's previous Chair taking on the role of Chair of our merged entity and an established staff team supporting the merger process.

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At a time of continued transition within the social sector, we continued to grow and go from strength to strength. The benefits of the strategic changes and plans we made in April 2013 continued to be felt to ensure we were robust, resilient and fit-for-purpose in a changing economic and policy landscape. Supported by our merger we moved onto a firm sustainable pathway in 2014/15.

We will in future still operate as the two brands of Community Foundation for Lancashire and Community Foundation for Merseyside for the respective local areas, operating from one back office and overseen by one Board drawn from the North West region. The former Community Foundation for Lancashire (Former) will be a dormant entity.

### **Endowment Building for Future Generations**

We continued our commitment since 2008 to endowment building for our own sustainability and to safeguard community funds for future generations. In this financial year we saw the level of joint endowed funds we hold on behalf of our donors and supporters surpass the £11 million mark, growing by £1 million, continuing our drive to operate from a strong and sustainable platform.

A total of £1,154,984 in donations to our joint endowment fund in the year was particularly supported by twelve donors committing to the last year of the Community First endowment match scheme under the Coalition Government, significantly from Liverpool ONE and the transfer of the Alfred Shaw Trust to our administration as a new fund. We would like to thank the twenty donors who committed endowment funds from February 2012 to December 2014 under the Community First scheme which increased our joint endowment by around £2.7 million in that time, including match funds. The annual distribution from the invested funds will support local communities in the broadest sense, directed in collaboration with those donors under their funds' criteria.

Our approach to income generation and fund development in terms of endowment building has involved working with existing and new donors with a significant presence in Lancashire and Merseyside who are committed to our local communities. Via research, project visits, meetings, events and community funding distribution we have built valuable relationships with these private donors and the majority have committed endowment donations over a three year period. We thank all those people and organisations who have committed to building endowment funds with us for current and future generations of communities.

### **Our Work as Philanthropy Centres**

We already know that Lancashire and Merseyside are good places to live, learn and work, though many local people believe that there are certain issues that could be tackled, specific local needs met or new aspirations supported to ensure that communities are very much prosperous and thriving.

We administered 49 funds and foundations in 2014/15, working in collaboration with philanthropists, families, trusts and companies who are committed to improving local lives. This work included administering 11 funds in Lancashire, 33 funds in Merseyside, four across the region and one across the UK. As Philanthropy Centres we strive to support

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those who choose to work with us to be effective in their giving and to have the greatest impact. We thank all our Fund Holders who work with us collaboratively each year for communities, redefining philanthropy at this time.

Our highest value donors in 2014/15 were Individuals, Families and Companies in the area, making donations on average of £150,000 each. In our work with local companies we distributed £553,667 in 2014/15 on their behalf via eight charitable funds and schemes with an average of £69,208 distributed per company and the largest funds being for Liverpool ONE and Santander who committed new donations to their work in 2014/15 in Merseyside and the North West respectively.

Liverpool ONE remains the largest corporate charitable endowment fund in the region at £1.5 million held with us, and we were pleased to continue our community work with them in supporting 50 projects and initiatives in Merseyside in 2014/15, notably Merseyside Youth Support Trust and the Open Door Centre. Santander's SEDA scheme remains one of the most innovative corporate social responsibility schemes in the UK, providing valuable funds and added value to enterprising charities and social enterprises, especially in Lancashire and Merseyside, and we are proud to have been involved right from the start five years ago.

Our Philanthropy Fellowship as a learning forum for local philanthropists developed further in 2014/15. With pilot funding having ended in December 2013 from Esmée Fairbairn Foundation, our first stand alone year enabled us to apply our learning from the pilot, working with around 30 Fellows, funded by local charitable donations. The Fellowship is made up of business leaders, CSR practitioners and charitably-minded people who get together to debate and discuss aspects of giving, such as the best approaches to and learning about social issues via project visits, to ensure they have the greatest impact in communities. We held a number of events in 2014/15, including one with the Duke of Westminster and the Princes Trust at the Everyman Theatre to showcase the work of the Fellowship, significantly boosting our membership. The Fellowship continued to be led by an independent steering group of Fellows of the business community and we thank them for their continued enthusiasm and commitment to redefining philanthropy at this time.

Our most high profile event in 2014/15 was a private reception at No. 11 Downing Street, in September 2014, hosted by the Chancellor George Osborne MP. This event provided the opportunity to showcase our work in Lancashire and Merseyside with a number of existing and potential new supporters.

#### **Our Investment in Communities**

In administering 49 funds and foundations in 2014/15 we distributed around £500,000 to communities on behalf of companies that we work with who are based or have a significant presence in Lancashire and/or Merseyside. We distributed just over £1 million in public funds on behalf of statutory bodies, such as the Merseyside Police and Crime Commissioner, Knowsley Council and Lancaster Council, as well as national funders, including Big Lottery and Comic Relief. We worked with a number of individual philanthropists to donate around £350,000 to community projects and £40,000 with philanthropic families. A breakdown of funds distributed by geography and social themes are outlined below.

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### Funding For Merseyside

In 2014/15 we distributed £1,425,590 to Merseyside's communities via 462 funding awards to social enterprises, charities, community groups and individuals in need, building on our track record since 1999. Our average award size was £3,085 which was a 20% decrease on 2013/14's average grant size of £3,795

The funding distributed by our Vital Signs themes in number of awards was as follows:

- Children, Young People and Families: 106
- Strong Communities: 87
- Health: 65
- Local Economy: 54
- Social Isolation: 44
- Safety: 30
- Education: 21
- Equality: 19
- Arts: 14
- Work: 11
- Environment: 7
- Housing: 4

Children, Young People & Families remains the highest priority social area for our work with Strong Communities and Health as second and third level priorities in this year. In 2013/14 Education was second and Social Isolation was third in terms of priority areas. These changes in social priorities are a combined reflection of the needs of communities and the interests of the donors we work with at that time.

The geographical break-down of the community funding that was distributed in 2014/15 in Merseyside was as follows:

- Halton: £24,759 via 28 awards
- Knowsley: £355,048 via 71 awards
- Liverpool: £625,340 via 178 awards to Liverpool and Merseyside-wide organisations
- Sefton: £193,114 via 82 awards
- St Helens: £55,067 via 20 awards
- Wirral: £172,262 via 83 awards

Each year we assess the geographical allocation of our funding, working with Fund Holders and panel members, to ensure that funding decisions take into account previous geographical spread, prioritising areas as required. The existence of the Knowsley Foundation since 2011 has supported increased investment in the borough against a cross sector social growth plan. The large sums distributed in Liverpool include the funding of Merseyside-wide organisations based in the city centre. Funding in Sefton has been backed by the Sefton Education Funds we manage. The creation of the Halton Foundation in early 2015 will aim to increase funding distribution in this borough from 2015/16 onwards, building on the work of the Runcat Community Action Fund. We hope to establish dedicated funds for St Helens and Wirral in future.



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We developed our programmes work with national funders, such as Big Lottery via Big Local Northwood, with local statutory bodies, such as the Police & Crime Commissioner and Knowsley Council under the Knowsley Foundation Partnership and via unlocked dormant Council trusts. Via this area of our work we distributed around £870,000 via 115 funding awards, especially in the areas of Halton, Knowsley, Liverpool and Sefton.

Individuals distributed with us £328,000 to various local community causes, especially for local children, young people and families. Notable Merseyside funds were the High Sheriff's & Merseyside Police Fund which distributed £43,000 in 2014/15 to 36 community projects for community safety and youth crime prevention, and our giving circle, Merseyside Community Investment Fund which awarded 10 grants at an average award of £1,500 to support gaps in funding for community groups.

Our specialist initiative YouthBank continued its work in 2014/15 with local young people raising and then distributing funds to vital youth projects.

#### **Funding For Lancashire**

A total of £121,826 was distributed in Lancashire in 2014/15 via 56 awards distributed to community groups and social enterprises by the Community Foundation for Lancashire, building on our track record since 2007/08. Our average award size was £2,175 which was around a 60% decrease on 2013/14's average grant size of £5,276 which was due to a change in programmes.

The funding distributed in Lancashire by our Vital Signs themes in number of awards was as follows:

Children, Young People and Families: 11  
Health: 9  
Education: 8  
Safety: 5  
Strong Communities: 5  
Environment: 4  
Equality: 3  
Local Economy: 3  
Social Isolation: 3  
Arts: 3  
Work: 2

In Lancashire we distributed £110,720 via 51 awards in that area including to community centres, foodbanks, older people's projects and sport projects, in partnership with funders and donors, especially Comic Relief. We particularly supported activities in Blackburn with Darwen with funds totalling £8,500 and in Blackpool with £2,606 in funds.

We were pleased to make 13 awards under the Lancaster Fund at a value of £6,500 in 2014/15 from a previously dormant trust held by the local Council, unlocking these funds for the communities of Lancaster. We also worked on behalf of the Lancashire Community Investment Fund giving circle and made 17 awards at around £10,000 in total to support gaps in community funding for local groups. In working with the Lancaster Foundation we

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made a grant of £23,576 to The Grand in Clitheroe as part of our on-going partnership with both organisations. We also administered funds on behalf of local families, including the Pendle Music Bursary Fund and the Mark McQueen Foundation.

Funds from regional programmes such as Santander were distributed in the county in 2014/15 to support enterprising charities to tackle social isolation, support disadvantaged people via skills, training and employment and by creating a greener environment.

Our plans moving into 2015/16 aim to increase levels of community funding for Lancashire, working with existing and new supporters who are philanthropists, families, companies and trusts.

### **Funding Across the Region**

We were delighted to work with Santander for the fifth year on the Santander Social Enterprise Development Awards (SEDA) scheme. In 2014/15 we distributed 19 awards of around £10,000 each to enterprising charities to develop their work and set them on a pathway to sustainability. This work was part of a broader £1.4 million SEDA UK scheme that we administer UK-wide with four other Community Foundations and in partnership with UnLtd. This regional and North of England work included £233,000 distributed in awards outside of the areas of Lancashire and Merseyside in line with our governing documents and to support partners we work with to not only reach our immediate local areas, but also reach further afield.

In 2014/15 £40,000 was distributed across the region from funds held by local families to support Children & Young people, especially in the areas of arts & culture and mental health.

We continued to administer valued Comic Relief funding for around 100 grants at a value of approximately £170,000 across Lancashire and Merseyside to support grassroots sports and play schemes in communities.

### **Our Community Leadership**

We continued to be committed to our strategic view to understand the needs of local communities and donors and, by creating partnerships and involving donors, ensure that these needs are met via a social change agenda. This was primarily undertaken via our Vital Signs giving guide reports published in October 2014, following their first launch in 2013. Vital Signs remains Lancashire's and Merseyside's first giving guide for charitably-minded people and businesses as well as philanthropists and charitable trusts of all kinds who have a common passion for communities. Our Vital Signs guides are a combination of national and local data, social intelligence and the results of community consultations to provide a voice for local communities on their concerns and aspirations to guide philanthropists' giving.

The report in 2014 saw a focus on high priorities for communities. Over 600 community leaders took part in our community consultations to share their concerns and aspirations for their communities to guide our work. For Lancashire we published a Health & Well-Being report, especially focusing in on Mental Health, Ageing and Children, Young People & Families. For Merseyside we published a Strong Communities report with the sub themes of Community Cohesion, Social Mobility and Safety & Responsibility. In our 2014 reports we

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shared giving tips with our Fund Holders and Fellows to support them in achieving effective giving in communities.

We were delighted to launch our Vital Signs guides in 2014 on the same day as nine other Community Foundations in the UK and around 45 in Canada, creating an international event. We continue to be proud to be one of the innovators in our UK movement since 2010 to significantly establish a community foundation's leadership role in its locality and we have made a commitment to this initiative for the long-term, including as a member of the UK Vital Signs Working Group.

### **Our Governance**

The merger of Community Foundation for Lancashire and Community Foundation for Merseyside in April 2014 was a significant milestone in our continued commitment to be fit-for-purpose for our stakeholders, especially communities and philanthropists. This merger complemented the resourcing changes we made in April 2013 and aligned with our agenda of community leadership, growth and philanthropy development, supported by cost and time efficiencies; our governance costs decreased by around 30% in comparison to 2013/14. The merger was based on a close collaboration of the two Boards since 2009. We thank our solicitors Brabners and auditors Beever & Struthers for their support throughout.

Community Foundation for Lancashire's previous Chair, Arthur Roberts became the newly merged charity Board Chair, supported by David McDonnell as Vice Chair. The Board worked together in 2014/15 to plan for the medium to long-term aligned with our agenda, seeing valued Trustees stepping down in 2014/15 as they served their terms, allowing CFLM to bring in new Trustees, especially from the business sector to support our work. This explains so many Board retirements and appointments in the year. We remain one of the very few close collaborations and now very few mergers in the UK Community Foundation movement for public benefit.

### **Our Financial Management & Growth**

The Community Foundations operated for the third year with majority private funds, compared to majority public funds in 2011/12. In 2014/15 the year-end result of a £15,795 deficit was planned and was a nearly 50% reduction compared to the joint result in 2013/14 of £33,371 budget deficit. In this time of growth for the Community Foundations when building significant endowment from private donors we have planned for modest budget deficit results in three year cycles from 2012/13, committing reserves held above our six month running costs policy (ie. excess reserves) to invest in income generation and philanthropy development activities for the short to medium term. Our ambition is to reach around £40 million in endowment funds within 10 to 15 years for full sustainability and this investment of excess reserves provides investment in resources to achieve this, especially as we move into 2015/16 without endowment match funding incentives from Government. We plan for the excess reserves to be invested by around 2016/17, moving to break-even budget.

Our investments performed well in 2014/15 and our approach to investments significantly developed with a Board directive in autumn 2014 supporting a move to a Total Return

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approach following the recent legislation change, in order to increase funds available for community funding distribution.

In 2014/15 we planned for a reasonable increase in the requested donation level to cover the costs of our administration from donors and funders from 2015/16 to cover a larger percentage of our core costs on an annual basis for sustainability. We undertook thorough communications with our 49 fund holders and supporters to share our reasons for this as we move away from major public funding subsidies of previous years into a self-sustaining approach with majority private funds. This change was understood and supported by our donors and funders and the changes took effect from 1 April 2015.

We continued to achieve cost and time efficiencies to ensure we maximise all funds donated for communities, and our approach has been increasingly business-like in a registered charity setting.

### **Our Organisational Development**

Our organisational structure established in April 2013 proved effective and valuable to us in 2014/15, operating with 13 staff (10 full-time equivalents). Working across the functions of Community Philanthropy (seven staff), Operations (three staff) and Organisational Effectiveness (three staff) the Community Foundations delivered our annual targets and Business Plan goals during the financial year. We also developed new initiatives, such as piloting social impact reporting, to enhance our offer to donors and funders as well as exploring finessed reporting as a registered charity. The commitment and passion of our staff team is hugely valued as we deliver our growth, community leadership and philanthropy development agenda.

Our Business Plan for 2013 to 2016 includes priority goals in terms of our growth, investing successfully in communities, philanthropy facilitation, stakeholder engagement, effective governance and sustainability. The Plan sets out key priorities and goals, alongside a financial plan, and is reviewed annually. Endowment building remained one of the highest priority goals in 2014/15.

We begin planning in 2015/16 for our new business plan period from April 2016. This work will include further sustainability planning, enhancement of our endowment building, finessing our funding for and with communities, revision of our brand and development of our social impact reporting in line with Vital Signs.

Our Chief Executive was on maternity leave from March to September 2014 and we planned in advance for her leave for robust cover, including both Directors stepping-up, a consultant, Bob Sherer, working with us each month, and some Trustees and the Chair supporting more operational work during that time. The cover maintained the organisation well and our Chief Executive's return was managed smoothly.

We continued to lead at a UK level on innovation for Community Foundation, building on our Quality Accreditation tri-annual audit feedback in 2013 of being one of the 'most influential community foundations in this country.' We continue to be a leader at a UK level in Vital

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Signs as a giving guide and social policy tool and emerging work in philanthropy advising, working with senior peers in the network, international colleagues and expert organisations such as CASS Business School and the Professional Footballers Association (PFA).

### **Key Partnerships**

The Community Foundations have 'non-donor' relationships with many key players. Examples include local borough and district authorities, central Government and local business groups, including Knowsley Chamber of Commerce, North & Western Lancashire Chamber of Commerce and the Liverpool City Region Local Enterprise Partnership. Also included are our professional advisors Brabners, CCLA, Investec Wealth and Investment, Rathbone Investment Management, Parker Kelly and Beever & Struthers who have all been appointed due to their expertise, commitment to philanthropy or corporate social responsibility and being based in the region.

We also work locally with other infrastructure charities to work together to strengthen the social sector, especially at this time of public sector funding and policy changes, including Councils for Voluntary Services, Volunteer Centres and the new VS6 Forum for Merseyside. Nationally we work with and are supported by our membership organisation, UK Community Foundations and exchange good practice with colleagues internationally, particularly from the Community Foundations of Canada movement.

### **Our Volunteers**

We are grateful for the contribution made by the volunteers who are champions and ambassadors for our work, including panel members who recommend our community funding distribution. All of our panel volunteers are inducted and trained, and generally contribute up to four or five days a year to the organisation. Their contribution of knowledge and expertise is a crucial ingredient in the success of our community investment and in terms of ensuring local ownership and accountability.

The Board particularly wish to note their appreciation for the support of volunteers that have advised them on the development of the Community Foundation, such as former members of our Development Advisory Group, including Chris Bliss, Richard Kenyon, Babs Murphy and Amanda Meachin who have now either joined as Fellows and/or as Board members.

The Board wish to especially thank David McDonnell for his time and contribution during his four years of service as a Trustee and year as Vice Chairman with the Community Foundation and also Mike Eastwood and Sally Yeoman for their eight years of service as Trustees, Abi Pointing for six years service and support on HR matters and Terry Hephrun as a representative of Lancashire's social sector over the last six years.

Also thanks are extended to the Community Foundation's Patron, Cherie Blair and our Presidents, Lord Shuttleworth and Dame Lorna Muirhead for their continued commitment to the work of the charity.

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### **Our Donations In-Kind**

The Community Foundation has been afforded use of an office by Liverpool ONE and the Westminster Fund at 3rd Floor Stanley Building, 43 Hanover Street, Liverpool on an in-kind basis as our main office for which we are grateful. We are also grateful to the hosts of our Lancashire office space in Preston, the North & West Lancashire Chamber of Commerce.

### **Factors Out of Our Control in 2014/15**

The changed economic and political landscape continues to be felt by the sector, especially as we witnessed a number of community organisations close down in 2014/15 due to public sector funding cuts. We have been sad to see these groups close down and work to ensure that we have a breadth of funding available for the wide-ranging organisations in the social sector to support the maintenance or growth of their work.

There continues to be greater competition in our philanthropy facilitation field from other private and social sector intermediaries and brokers. Via work with fellow Community Foundations in the UK and CASS Business School, London and also a new partnership with the Professional Footballers Association (PFA), we aim to ensure that our offer is differentiated to our competitors for the medium term.

Endowment match incentive from Government ended in March 2015 after eight years of match programmes under the Labour Government and then the Coalition Government. These incentives have raised £6.3 million since 2008 for our work in Lancashire and Merseyside with around 25 donors. The match allocation and timescales were fixed and so some match was not secured – around 20% on average – across the schemes due to the timing of private donations.

### **Planning for 2015/16 and Beyond**

Our agenda for philanthropy development and community leadership will be prominent in 2015/16 as we complete our 2013 to 2016 Business Plan. The following will be priorities for the Community Foundation:

- Developing our offer to existing & new fund holders, including using the new Philanthropy Advising Framework, existing Philanthropy Fellowship and Vital Signs as a giving guide;
- Existing for the first time without endowment match incentive, especially exploring private local Catalyst schemes and supporting lobbying for Government match as well as 'upping' our offer to donors;
- Priority focus on securing new funds of £25,000 - £250,000+ via endowment building (£1.8m target) and major programmes from existing & new donors, plus exploration of unrestricted funds;
- Sustainability planning, including implementing reasonable increases in donations to support our core work;
- Board development, including Chair succession planning for autumn 2016;
- Creation and piloting of social impact reporting, responding to donor requests;
- Developing and maximising systems, including our DIGITS database;
- Enhancing staff professional development tools and processes.

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We have a long term vision of achieving around £40 million joint funds in 10 to 15 years, though we work immediately with a three to five year period plan to build endowment within the existing environment for our sustainability.

### Overview of our Governance & Operations

#### The Objects of our Charity

The objects of our charity, as set out in the CFLM Memorandum and Articles of Association, are:

- the promotion of any charitable purposes for the benefit of the community in the UK but primarily within the metropolitan area of Merseyside and the boroughs of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral and county area of Lancashire, including Blackpool, Blackburn with Darwen and Preston;
- in particular the advancement of education;
- the protection of good health, both mental and physical,
- and the relief of poverty and sickness.

#### Significant Activities

The main area of our charitable activity is the awarding of charitable funding within the local community. This is achieved by raising donations from private, public and charitable sources and redistributing them (or the income they generate in the case of invested or endowed funds) as constructive grants to the local community, according to the donors' wishes. Presently, the vast majority of funds raised by the organisation are channelled through restricted revenue (or "flow-through" funds, without being invested for the long-term). The charity has relatively little unrestricted income that it can use for grant-making. Further information on grant-making activities during the year is provided in note 14.

#### Our Organisational Structure

The Community Foundations have operated since 1 April 2014 as one organisation for cost and time efficiencies due to a successful collaboration, especially since 2009 and merger in April 2014. There are three function areas of Community Philanthropy, Operations and Organisational Effectiveness, with 13 staff (10 full-time equivalents) working across them, led by a Senior Management Team of three staff, including the Chief Executive.

The Board appointed a Chief Executive to whom it delegates responsibility for the day-to-day operational management of the organisation. This post is directly responsible to the Board and Cathy Elliott was appointed as joint Chief Executive with Community Foundations on 1 August 2009.

The Community Foundations are run by a Board of Trustees which is responsible for setting the strategic direction of the organisation, for establishing policy and for maintaining proper governance. It meets quarterly and comprises representatives of the private, public and voluntary sectors. All trustees have job descriptions and person specifications. Our Chair Arthur Roberts was appointed as joint Chair in October 2013 in preparation for the merger in April 2014 and will serve until autumn 2016.

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As the employer the operational delivery is resourced by a team of 13 staff (10 full time equivalent) resourced by donations and core income.

### **Trustee Recruitment, Appointment and Development**

The trustees are normally appointed through a recruitment process and by a trustee appointment panel and up to one-third of the trustees will normally retire each year and be eligible for re-election at the Annual General Meeting. Trustees can serve two terms of three years with re-election for each term and a third three year term if there is a case for the organisation's business plans. No places on the board are reserved for specific individuals or representatives of particular organisations; detailed procedures are in place for the nomination and appointment of trustees.

Annually the Board assesses the expertise and skills within the Board membership and proactively recruits new trustees with specific experience to ensure a full complement of expertise and skills in order to govern the charity and deliver our charitable objectives for public benefit. All new trustees are given an induction session by the Chairman and Chief Executive to explain the operation of the charity. Regular training and tailored updates for trustees take place to update them and to ensure they are fully engaged with the work of the Community Foundations.

### **Our Public Benefit**

The charity benefits the public by securing income for charitable programmes and funds administered by us from public and private sector, and then distributing this in collaboration with those funders and donors as charitable funding to support charitable activities in communities as an intermediary. Funding programmes and funds are established, developed, decided upon and monitored in line with the social needs and aspirations of the local communities we serve which are identified by local community leaders, subject experts or local donors as well as social intelligence, data, research and community consultations.

Before any funding is distributed, we carefully and thoroughly assess the charitable and public benefits of the proposed activities. The impact of our community funding is then reported to funders, donors, stakeholders, staff and the Board as a measurement of the social impact achieved.

The trustees confirm that 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 its future activities. The charity's public benefit is assessed on an annual basis by the Board and staff to ensure we are continually improving our performance against our charitable objects, vision, mission and strategic social aims.

### **Community Investment Policies**

The policy of the charity is to award funding to individuals and organisations that have made a formal application for a grant, that fulfil the requirements of the relevant programme or fund and which have the necessary systems in place to administer a grant. All funding applications are subject to a formal appraisal by our staff before being presented to the local grant panel, or the donor, for a recommendation. A scoring system and process is used to guide decisions. All panel or donor recommendations are ratified by the Community



# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## YEAR ENDED 31 MARCH 2015

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Foundation's senior staff or trustees prior to any offer being made. Funding distributed is reported quarterly to the Board by fund, locality and social theme.

### **Investment Powers**

The Charity's Investment Powers are prescribed in its Memorandum and Articles of Association. The Board of Trustees has approved a document called 'Policies on Fund Management and Financial Control', relating to the management of all of its funds and which includes the strategies for the investment of its endowment. The purpose of investment in the endowment fund is to generate a sustainable income for (i) grant-making and (ii) meeting running costs.

The organisation has appointed professional investment managers to manage the endowment. During the year these were managed by Investec Wealth and Investment Ltd and Rathbone Investment Management for all funds outside of the Community First Endowment Challenge from 2012 – 2015 which is managed by CCLA, nominated by central Government. The overall objectives for Investec and Rathbone Investment Management have been revised in the year to achieve maximum total return on investments to enable release of 5% of the value of the fund to the foundation for distribution during the year and to cover costs. The level of risk they are permitted to take is 'medium'. Presently, the strategy dictates that most of the portfolio is invested in UK equities (40 - 80%) and fixed interest stock (10 - 30%), with cash, non-UK equities and other assets also an option. Investment in derivatives or "hedge funds" is not permitted without the express consent of the trustees. Investment performance is monitored by the board on a quarterly basis, using benchmarks such as the FTSE All Share Index and the FTSE WMA Index as well as a comparison of the current investment managers' performance with others in the field. Investment performance is reported to Board on a quarterly basis and reviewed annually.

For the Community First Endowment Challenge from 2012 – 2015 CCLA manages the funds based on an investment policy agreed by our UK umbrella organisation, UKCFs, with approval from our Board. Although not classified as permanently endowed funds, CCLA manage funds under a total return policy, calculating the indexed value of the initial donation on an annual basis and enabling withdrawal of surplus over and above this figure to supplement income received during the year. This method of calculation has been applied since commencement of the programme so can be precisely calculated by CCLA.

In 2014/15, the board of trustees decided not to withdraw any of the very limited surplus funds available. Investment performance is reported to Board quarterly and reviewed by an independent panel of community foundation and investment experts working with UKCFs.

### **Our Risk Reviews**

Our Board of Trustees undertakes a regular review of the risks that the organisation faces; these are published in a formal Organisational Risk Assessment. All risks identified have been addressed and mitigated as far as possible during 2014/15 and looking ahead, and no identified risks remain unaddressed. The Risk Assessment is subject to formal annual review and update by the trustees, with interim monitoring on a quarterly basis by the senior staff team. The organisation also uses a traffic light system to monitor and measure progress against a set of key organisational targets. Progress against target is assessed by the staff

# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## YEAR ENDED 31 MARCH 2015

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team on a monthly basis and reported to the Board on a quarterly basis, using a delivery forecast system.

### **Our Reserves Policy**

Our Board has continued to endeavour to build and maintain a level of reserves appropriate to its commitments over the coming years. However, it is keen to maximise its charitable objectives and public benefit. The Board continues to ensure that reserves of four to six months running costs are held at any time as per our policy, in line with the Charity Commission's guidance. For 2014/15 the unrestricted reserves were £255,641 at the end of the financial year. CFLM has built joint reserves as per the policy and covered the budget deficit and core costs jointly as appropriate for sustainability. Any reserves held above the six month policy level have a Reserves Spending Plan against them, regularly reviewed and approved by the Board to support CFLM's development and sustainability. Reserves transferred from Community Foundation for Lancashire (Former) are restricted for use on Lancashire based activities and costs only.

### **Our Auditors**

The Community Foundations reviewed in October 2013 its auditing services due to the merger in April 2014. Beever and Struthers were appointed by both Community Foundations as the joint auditors for both Community Foundations for the 2011/12, 2012/13 and 2013/14 financial years, plus 2014/15 to see CFLM through its first year of merged accounts.

### **Small Company Provisions**

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

### **By Order of the Board**



**Arthur Roberts, Chair**

*13 October 2015*

# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## YEAR ENDED 31 MARCH 2015

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Community Foundations for Lancashire and Merseyside for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware there is no relevant information of which the charitable company's auditor is unaware. Additionally the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**

## **YEAR ENDED 31 MARCH 2015**

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### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**

We have audited the financial statements of Community Foundations for Lancashire and Merseyside for the year ended 31st March 2015, which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, set out on page 18, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## YEAR ENDED 31 MARCH 2015

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### Opinion on the financial statements

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirement of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the 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' exemption in preparing the Trustees' Report.

*Beever and Struthers*

Mark Bradley (Senior Statutory Auditor)  
for and on behalf of Beever and Struthers  
Chartered Accountants and Statutory Auditor

Central Buildings  
Richmond Terrace  
Blackburn  
Lancashire  
BB1 7AP

Date 13 October 2015

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2015 £	2014 £
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2.1	119,039	-	1,154,984	1,274,023	584,980
Transfer of assets from Community Foundation for Lancashire (Former)	2.1	-	139,161	2,844,884	2,984,045	-
<b>Total voluntary income</b>	2.1	<b>119,039</b>	<b>139,161</b>	<b>3,999,868</b>	<b>4,258,068</b>	<b>584,980</b>
Investment income	2.3	14,750	-	331,504	346,254	241,279
<b>Incoming resources from charitable activities</b>						
	2.2	145,100	1,660,863	-	1,805,963	1,342,377
<b>Other income</b>	2.4	<b>48,945</b>	<b>-</b>	<b>-</b>	<b>48,945</b>	<b>30,394</b>
<b>Total incoming resources</b>		<b>327,834</b>	<b>1,800,024</b>	<b>4,331,372</b>	<b>6,459,230</b>	<b>2,199,030</b>
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
Cost of generating voluntary income	3	98,806	-	-	98,806	114,198
Investment management costs	3	-	-	50,254	50,254	32,334
<b>Charitable activities</b>	3	<b>310,621</b>	<b>1,814,136</b>	<b>-</b>	<b>2,124,757</b>	<b>1,643,396</b>
<b>Governance</b>	3	<b>31,538</b>	<b>-</b>	<b>-</b>	<b>31,538</b>	<b>44,768</b>
<b>Total resources expended</b>		<b>440,965</b>	<b>1,814,136</b>	<b>50,254</b>	<b>2,305,355</b>	<b>1,834,696</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>(113,131)</b>	<b>(14,112)</b>	<b>4,281,118</b>	<b>4,153,875</b>	<b>364,334</b>
<b>Gross transfers between funds</b>	14-16	<b>97,336</b>	<b>400,098</b>	<b>(497,434)</b>	<b>-</b>	<b>-</b>
<b>Net incoming / (outgoing) resources before other recognised gains and losses</b>		<b>(15,795)</b>	<b>385,986</b>	<b>3,783,684</b>	<b>4,153,875</b>	<b>364,334</b>
<b>Realised gain / (loss) on investment assets</b>		<b>-</b>	<b>-</b>	<b>43,596</b>	<b>43,596</b>	<b>(40,896)</b>
<b>Unrealised gain on investment assets</b>	10	<b>-</b>	<b>-</b>	<b>762,040</b>	<b>762,040</b>	<b>129,406</b>
<b>Net movement in funds</b>		<b>(15,795)</b>	<b>385,986</b>	<b>4,589,320</b>	<b>4,959,511</b>	<b>452,844</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>271,436</b>	<b>509,610</b>	<b>7,161,045</b>	<b>7,942,091</b>	<b>7,489,247</b>
<b>Total funds carried forward</b>		<b>255,641</b>	<b>895,596</b>	<b>11,750,365</b>	<b>12,901,602</b>	<b>7,942,091</b>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities of the charity.

Summary Income and Expenditure Account	2015 £	2014 £
Gross income from all sources	6,459,230	2,199,030
Less endowment income	(4,331,372)	(488,534)
<b>Total Income</b>	<b>2,127,858</b>	<b>1,710,496</b>
<b>Total expenditure</b>	<b>(2,305,355)</b>	<b>(1,834,696)</b>
Less endowment expenditure	50,254	32,334
Transfers from endowment funds	497,434	81,828
<b>Net income / (expenditure) for the year</b>	<b>370,191</b>	<b>(10,038)</b>

The notes on pages 23 to 33 form part of these financial statements.

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Notes	2015	2014
		£	£
Tangible assets	9	1,353	2,030
Investments	10	<u>11,851,138</u>	<u>7,165,463</u>
		<u>11,852,491</u>	<u>7,167,493</u>
<b>Current Assets</b>			
Debtors	11	16,435	56,214
Cash at bank and in hand		<u>1,419,532</u>	<u>2,148,671</u>
		<u>1,435,967</u>	<u>2,204,885</u>
<b>CREDITORS: amounts</b>			
<b>falling due within one year</b>	12	<u>(386,856)</u>	<u>(1,430,287)</u>
<b>Net Current Assets</b>		<u>1,049,111</u>	<u>774,598</u>
<b>Net Assets</b>		<u><u>12,901,602</u></u>	<u><u>7,942,091</u></u>
 <b>The Funds of the Charity</b>			
Endowment Funds	16	11,750,365	7,161,045
(including a Revaluation Reserve of £1,781,948 (2014: £763,875))			
Unrestricted Funds	15	255,641	271,436
Restricted Funds	14	895,596	509,610
<b>Total Charity Funds</b>		<u><u>12,901,602</u></u>	<u><u>7,942,091</u></u>

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

13 October

Approved by the Board of Trustees and authorised for issue on 13 October 2015.

A Roberts - Trustee



Company Number 3422207

The notes on pages 23 to 33 form part of these financial statements.

# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### **1 ACCOUNTING POLICIES**

The principle accounting policies, all of which have been applied consistently throughout the year, are set out below. Where a change in accounting policy or treatment has occurred, the prior year figures have been adjusted to reflect the new treatment.

##### **1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investments at market value, and in accordance with applicable accounting standards, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005).

##### **1.2 Going concern**

The trustees are satisfied that the accounts should be prepared on a going concern basis and have considered this for the period of twelve months from the date of approval.

##### **1.3 Cash flow statement**

The company has taken advantage of the exemptions in Financial Reporting Standard No 1 from the requirements to produce a cash flow statement as it is a small company.

##### **1.4 Incoming resources**

- Incoming resources are included in the Statement of Financial Activities (SOFA) when they become receivable, except donations and gifts in kind. Donations are included when they are received. Gifts in kind are valued at an estimate of market value where this can be readily ascertained.
- Deferral of income takes place where grants are received substantially in advance of the expenditure to which it relates. Where grants include a contribution to costs for distribution of restricted funds, this is recognised on distribution of funds.
- Investment returns are drawn in accordance with a total return policy and transferred to restricted funds for distribution, with an agreed proportion transferred to cover management and administration costs. Income to cover costs for management of the invested funds is recognised when received and income to cover costs for distribution of the resulting restricted funds is recognised on distribution of those funds.
- Incoming resources from government funded entities are accounted for in the same way as other income.
- Voluntary help received by the Foundation has not been valued, in accordance with the SORP.

##### **1.5 Resources expended**

- Resources expended are included in the SOFA on the accruals basis as a liability is incurred, based on work done or services provided in the period. Expenditure includes irrecoverable VAT, and is reported as part of the expenditure to which it relates.
- Grants payable are recognised as expenditure when the commitment is made.
- Costs of Generating Funds includes the cost of brochures, advertising, fundraising and other promotional events designed to increase public awareness of the Foundation, together with other costs directly attributable to fundraising activities.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary for the activities of the charity.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in note 3.



# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 1 ACCOUNTING POLICIES (continued)

##### 1.6 Tangible fixed assets

- Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing under £500 are not capitalised.
- Depreciation is provided to write off the cost of each asset over its expected useful life using the following rates and methods:-

Fixtures and fittings	25% straight line
Office equipment	25% straight line

- Impairment reviews are carried out as and when evidence comes to light that the recoverable amount of a functional fixed asset is below its net book value due to damage, obsolescence or other relevant factor.

##### 1.7 Fixed asset investments

- Investments are included at market value at the balance sheet date.
- Realised gains and losses on investments are calculated as the difference between sale proceeds and their market value at the start of the year, or their subsequent cost, net of transaction costs, and are charged or credited to the statement of financial activities in the year of disposal.
- Unrealised gains and losses represent the movement in market value during the year and are credited or charged to the statement of financial activities based on the market value, as advised by the charity's investment managers, at the year end.
- All endowed funds received are managed on a total investment return basis.

##### 1.8 Pensions

The company contributes to Individual Personal Pension policies for its employees. Contributions are charged to the SOFA in the period to which they relate.

##### 1.9 Fund accounting

- Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- Endowment funds are held for long term returns for the Foundation. A percentage withdrawal from the funds is distributed in accordance with the wishes of the original donor. Capital gains or losses arising on the investments form part of the fund. Charges for investment management and advice are charged to the fund as incurred. Income earned on endowment funds is transferred to restricted and unrestricted funds.

##### 1.10 Consolidation

Consolidated financial statements have not been prepared on the grounds that the results of the subsidiary charity Community Foundation for Lancashire (Former) are not deemed material to the results of the charity.

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

<b>2 INCOMING RESOURCES</b>	<b>2015</b>	<b>2014</b>
<b>2.1 Voluntary Income</b>	<b>£</b>	<b>£</b>
Endowments Received	1,154,984	439,243
Transfer of assets from Community Foundation for Lancashire (Former)	2,984,045	-
Sponsorship, Donations and Membership	46,239	72,937
Gifts in kind – Use of office	70,000	70,000
Gifts in kind – Use of parking spaces	2,800	2,800
	<u>4,258,068</u>	<u>584,980</u>
<b>2.2 Incoming Resources from Charitable Activities</b>		
23 Foundation	28,714	93,750
ACC Foundation	8,925	-
Alfred Shaw Trust	8,886	-
Barnett Waddingham	-	1,960
BHP Billiton	-	444
BIBAs Foundation	7,304	-
Big Local Trust Northwood	49,875	-
BridgeBuilder Foundation	655	-
CFLM Discretionary Fund	54,522	-
Comic Relief	149,381	167,839
Community Foundation for Lancashire (Former) Funds	-	33,056
Deutsche Bank	30,110	30,019
High Sheriffs & Merseyside Police Trust Fund	8,893	5,460
Hill Dickinson	8,335	5,675
Investec Wealth and Management	517	602
Japanese Tsunami Fund in memory of S Cropper	-	149
Jim Hosker Memorial Fund	998	3,286
John Goore Trust	100	-
Knowsley Foundation	107,337	218,224
Knowsley Public Health & Wellbeing Fund	197,300	-
Lancaster Community Fund	11,646	-
Lancashire Community Investment Fund	2,480	-
Liverpool ONE Foundation	153,050	144,432
Liverpool Tennis Foundation	2,483	2,955
Mando Group Foundation	58	16,178
Mark McQueen Foundation	1,102	582
Medicash	24,655	-
Merseyside Community Investment Fund	102,164	6,238
Merseyside Police Authority	117,634	78,754
MJB Fund	627	3,973
Olivia Rae Foundation	5,384	2,673
Peel Ports	1,147	12,016
Pendle Music Bursary Fund	5,175	-
Pennine Lancashire Youth Enterprise Fund	2,000	-
Runcat	1,375	2,470
RWE Innogy UK Ltd	18,000	-
Santander	358,122	420,652
Shop Direct	11,847	45,066
Surviving Winter Appeal Lancashire	1,248	-
Surviving Winter Appeal Merseyside	1,379	2,208
UK Community Foundations	10,000	22,000
Victims Services and Restorative Justice Fund	310,994	-
Warm Homes Knowsley	600	16,200
Youthbank	941	5,516
	<u>1,805,963</u>	<u>1,342,377</u>
<b>2.3 Investment income</b>		
Bank and other interest	14,750	19,088
Investment Income	331,504	222,191
	<u>346,254</u>	<u>241,279</u>
<b>2.4 Other income</b>		
Fees Received	48,945	30,394
	<u>48,945</u>	<u>30,394</u>
<b>Total Incoming resources</b>	<u><u>6,459,230</u></u>	<u><u>2,199,030</u></u>

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**3 TOTAL RESOURCES EXPENDED**

	Basis of Allocation	Voluntary Income £	Charitable Activities £	Investment Management Costs £	Governance £	Total 2015 £	2014 £
Grants paid (see note 4)	Direct	-	1,780,417	-	-	1,780,417	1,379,971
Staff costs (see below and note 6)	Direct	57,600	235,840	-	15,331	308,771	247,434
Healthcare costs	Direct	350	1,105	-	175	1,630	1,358
Publicity and advertising	Direct	115	547	-	58	720	534
Postage & stationery & telephone	Staff Time	716	2,506	-	358	3,580	4,584
Staff training	Direct	648	2,269	-	324	3,241	5,096
Meeting costs	Direct	151	202	-	151	504	499
Rent in kind	Direct	17,500	52,500	-	-	70,000	70,000
Consultancy	Usage	14,241	-	-	4,747	18,988	2,291
Audit & accountancy fees	Usage	-	4,950	-	4,950	9,900	9,400
Travel	Direct	1,614	5,647	-	807	8,068	10,150
Computer running costs	Staff Time	1,613	5,646	-	807	8,066	5,065
Panel meetings	Direct	-	267	-	-	267	460
Subscriptions	Direct	872	7,849	-	-	8,721	10,230
Bank charges	Usage	-	603	-	-	603	775
Insurance	Staff Time	1,054	3,687	-	527	5,268	4,633
Recruitment	Direct	-	1,292	-	-	1,292	-
Volunteer expenses	Direct	-	-	-	-	-	239
Other	Direct	-	3,394	-	-	3,394	6,002
Depreciation	Direct	135	474	-	68	677	677
Legal & professional fees	Usage	-	-	-	3,235	3,235	7,733
Investment management costs	Direct	-	-	50,254	-	50,254	32,334
Events	Direct	-	8,971	-	-	8,971	19,420
Special Project costs	Direct	2,197	6,591	-	-	8,788	15,811
		<u>98,806</u>	<u>2,124,757</u>	<u>50,254</u>	<u>31,538</u>	<u>2,305,355</u>	<u>1,834,696</u>

Staff and Special Project costs include £33,719 in restricted grant funding.

Special Projects costs relate to short term funded, predominantly research, projects working with specific donors or other partners which align with the work of the foundation and include the Philanthropy Fellowship, Vital Signs and Youthbank. More information and reports on some of these projects is or will be available on our websites at [www.lancsfoundation.org.uk](http://www.lancsfoundation.org.uk) and [www.cfmerseyside.org.uk](http://www.cfmerseyside.org.uk).

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**4 GRANTS AWARDED**

All the charitable activities undertaken by the charity represent grantmaking. Further details about the grants made in the year can be seen in Note 14.

**5 NET INCOMING RESOURCES**

	2015	2014
Net incoming resources are stated after charging:	£	£
Depreciation	677	677
Auditors remuneration	<u>10,500</u>	<u>9,400</u>

**6 STAFF COSTS**

	2015	2014
	£	£
Wages and salaries	268,152	215,506
Social security costs	21,459	18,847
Other pension costs	<u>19,160</u>	<u>13,081</u>
	<u>308,771</u>	<u>247,434</u>

No employee received emoluments of more than £60,000 (2014: none).

The charity contributes to Individual Personal Pension policies for all its employees. The assets of the schemes are held separately from those of the Charity in independently administered funds. The pension charge of £19,160 (2014: £13,081) represents contributions payable by the Charity to the funds. There were no outstanding contributions at 31 March 2015 (31 March 2014: £1,456).

**7 STAFF NUMBERS**

The average number of employees (excluding trustees) during the year was as follows:

	2015	2014
	No.	No.
Management	2	2
Philanthropy Development	3	3
Finance	2	2
Philanthropy Services & Programmes	3	3
Total full time equivalents	<u>10</u>	<u>10</u>
Total staff employed	<u>13</u>	<u>13</u>

**8 TAXATION**

The company is a registered charity and is, therefore, exempt from taxation.

**9 TANGIBLE FIXED ASSETS**

	Fixtures & Fittings	Office Equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2014	14,038	57,769	71,807
<b>At 31 March 2015</b>	<u>14,038</u>	<u>57,769</u>	<u>71,807</u>
<b>Depreciation</b>			
At 1 April 2014	14,038	55,739	69,777
Charge for year	-	677	677
<b>At 31 March 2015</b>	<u>14,038</u>	<u>56,416</u>	<u>70,454</u>
<b>Net book value</b>			
<b>At 31 March 2015</b>	<u>-</u>	<u>1,353</u>	<u>1,353</u>
At 1 April 2014	-	2,030	2,030

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>10 INVESTMENTS</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>UK listed investments</b>		
<b>Rathbone Brothers Plc</b>		
Market value at 1 April 2014	5,242,499	5,309,756
Additions	1,089,591	1,388,014
Disposals at market value	(1,275,877)	(1,562,474)
Revaluation gain	301,897	107,203
Market value at 31 March 2015	5,358,110	5,242,499
Cash deposits in the UK	108,561	211,412
<b>Sub total Rathbones</b>	<b>5,466,671</b>	<b>5,453,911</b>
<b>Investec Wealth &amp; Investment</b>		
Transfer of investments from		
Community Foundation for Lancashire (Former)	1,741,208	-
Additions	331,490	-
Disposals at market value	(571,622)	-
Revaluation gain	157,733	-
Market value at 31 March 2015	1,658,809	-
Cash deposits in the UK	50,494	-
<b>Sub total Investec Wealth &amp; Investment</b>	<b>1,709,303</b>	<b>-</b>
<b>CCLA Common Investment Fund</b>		
Market value at 1 April 2014	1,711,552	1,282,908
Transfer of investments from		
Community Foundation for Lancashire (Former)	1,104,176	-
Additions	1,518,354	438,388
Disposals at market value	-	(31,947)
Revaluation gain	302,410	22,203
Market value at 31 March 2015	4,636,492	1,711,552
Cash deposits in the UK	38,672	-
<b>Sub total CCLA</b>	<b>4,675,164</b>	<b>1,711,552</b>
<b>Total Investments</b>	<b>11,851,138</b>	<b>7,165,463</b>
<b>Historical cost</b>	<b>10,069,190</b>	<b>6,401,588</b>
<b>Listed Investments</b>		
UK investments	6,214,891	3,886,848
Overseas and other investments	5,357,102	3,003,876
Cash deposits	279,145	274,739
	<b>11,851,138</b>	<b>7,165,463</b>

The trustees consider individual investment holdings in excess of 5% of the portfolio value to be material. No individual shareholdings or investments are considered individually to be material with the market values and proportion of the portfolio shown as at 31 March 2015.

The investments are held to provide an investment return to the charity.

During the year the charity acquired a controlling interest in Community Foundation for Lancashire (Former), a company limited by guarantee. Further details regarding this transaction are given in note 22 to these financial statements.

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**10 INVESTMENTS continued**

Total return has been applied to all endowment fund investments from the year ending 31 March 2015.

	Trust for Investment	Unapplied Total Return	Total Endowment
	£	£	£
<b>Expendable Endowment Funds:</b>			
<b>At 1 April 2014</b>			
Gift component of expendable endowment	6,126,390	-	6,126,390
Unapplied total return	-	922,512	922,512
<b>Total</b>	<b>6,126,390</b>	<b>922,512</b>	<b>7,048,902</b>
<b>Movements in the year:</b>			
Gift of expendable endowment funds	1,154,984	-	1,154,984
Transfer of Lancashire Funds	2,318,805	306,686	2,625,491
Investment management fees	-	(47,295)	(47,295)
<b>Investment returns:</b>			
Dividends and interest	-	328,709	328,709
Realised and unrealised gains	-	783,062	783,062
<b>Total</b>	<b>3,473,789</b>	<b>1,371,162</b>	<b>4,844,951</b>
Capital transfers	(24,037)	-	(24,037)
Unapplied total return released to income	-	479,321	479,321
<b>Net movement in year</b>	<b>(24,037)</b>	<b>479,321</b>	<b>455,284</b>
<b>At 31 March 2015</b>			
Gift component of expendable endowment	9,576,142	-	9,576,142
Unapplied total return	-	1,814,353	1,814,353
<b>Total expendable endowment funds</b>	<b>9,576,142</b>	<b>1,814,353</b>	<b>11,390,495</b>
<b>Permanent Endowment Funds:</b>			
<b>At 1 April 2014</b>			
Gift component of permanent endowment	100,241	-	100,241
Unapplied total return	-	16,320	16,320
<b>Total</b>	<b>100,241</b>	<b>16,320</b>	<b>116,561</b>
<b>Movements in the year:</b>			
Transfer of Lancashire Funds	177,532	42,361	219,893
Investment management fees	-	(2,959)	(2,959)
<b>Investment returns:</b>			
Dividends and interest	-	8,554	8,554
Realised and unrealised gains	-	22,574	22,574
<b>Total</b>	<b>177,532</b>	<b>70,530</b>	<b>248,062</b>
Capital transfers	2,645	-	2,645
Unapplied total return released to income	-	7,398	7,398
<b>Net movement in year</b>	<b>2,645</b>	<b>7,398</b>	<b>10,043</b>
<b>At 31 March 2015</b>			
Gift component of permanent endowment	280,418	-	280,418
Unapplied total return	-	79,452	79,452
<b>Total permanent endowment funds</b>	<b>280,418</b>	<b>79,452</b>	<b>359,870</b>
<b>Totals at 31 March 2015</b>			
Gift component of all endowments	9,856,560	-	9,856,560
Unapplied total return	-	1,893,805	1,893,805
<b>Total endowment funds</b>	<b>9,856,560</b>	<b>1,893,805</b>	<b>11,750,365</b>

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
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<b>11 DEBTORS</b>	<b>2015</b>	<b>2014</b>
	£	£
Grants	-	18,727
Other debtors	15,375	35,987
Prepayments	1,060	1,500
	<u>16,435</u>	<u>56,214</u>

<b>12 CREDITORS: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	£	£
Grant creditors	280,869	214,694
Other creditors	732	416
Accruals	10,500	11,456
Deferred income (note 13)	94,755	1,203,721
	<u>386,856</u>	<u>1,430,287</u>

**13 DEFERRED INCOME**

Deferred income comprises income received in advance that the charity is not contractually entitled to distribute at 31 March 2015.

	<b>2015</b>	<b>2014</b>
	£	£
Balance as at 1 April 2014	1,203,721	301,141
Amount released to incoming resources	(1,188,015)	(291,497)
Amount deferred in year	79,049	1,194,077
Balance as at 31 March 2015	<u>94,755</u>	<u>1,203,721</u>

**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

14 RESTRICTED FUNDS	As at	Movement in Resources			As at
	1 April 2014	Incoming	Outgoing	Transfers	31 March 2015
	£	£	£	£	£
23 Foundation	3,743	26,169	(68,700)	45,421	6,633
ACC Liverpool Foundation	-	8,481	(4,000)	-	4,481
Aldridge Foundation	-	4,849	-	1,313	6,162
Alfred Shaw Trust	-	8,886	(8,800)	2,261	2,347
BHP Billiton	2,364	-	(13,268)	10,966	62
BIBAs Foundation	-	7,304	-	-	7,304
Big Local Trust Northwood	-	47,857	(37,483)	-	10,374
Big Lottery	-	8,457	(8,457)	-	-
Bridgebuilder Foundation	-	655	-	-	655
CFLM Discretionary Fund	-	54,522	-	1,761	56,283
Comic Relief	78,228	132,714	(210,038)	-	904
Community Foundation for Lancashire	-	21,019	(21,019)	-	-
Deutsche Bank	13,391	27,000	(46,255)	12,978	7,114
Gorse Bank Trust	-	-	-	440	440
High Sheriffs Trust & Merseyside Police	1,723	8,231	(42,991)	35,924	2,887
Hill Dickinson	19,759	8,335	-	3,253	31,347
Investec Wealth & Management	834	465	(1,300)	1,693	1,692
Japanese Tsunami Fund	13,808	-	-	-	13,808
Jim Hosker Memorial Fund	5,147	998	-	793	6,938
John Goore Trust	29,299	100	(3,650)	13,212	38,961
Joseph Harley Trust	3,297	-	(500)	2,328	5,125
Knowsley Foundation	81,207	94,337	(113,995)	-	61,549
Knowsley Public Health and Wellbeing Fund	-	185,064	(92,064)	-	93,000
Lancashire Community Investment Fund	-	13,025	(9,250)	10,043	13,818
Lancaster Community Fund	-	11,182	(6,194)	1,322	6,310
Lancaster Foundation	-	1	(23,576)	23,575	-
Leahy Foundation	30,303	-	(33,933)	27,438	23,808
Liverpool ONE Foundation	55,874	135,000	(224,965)	56,930	22,839
Liverpool Tennis Foundation	450	2,238	(2,250)	-	438
Mando Group Foundation	12,827	-	(730)	-	12,097
Mark McQueen Foundation Lancashire	-	2,561	-	6,196	8,757
Mark McQueen Foundation Merseyside	11,121	1,102	(6,800)	17,038	22,461
Medicash	2,087	22,414	(24,500)	2,102	2,103
Merseyside Community Investment Fund	6,513	101,792	(14,185)	8,546	102,666
Merseyside Police Authority	-	108,580	(108,580)	-	-
MJB Fund	6,274	-	(29,250)	26,263	3,287
New Progress Housing	-	10,950	-	10,910	21,860
Olivia Rae Foundation	1,461	4,996	(4,550)	727	2,634
Peel Ports 500	13,871	-	(11,712)	1,200	3,359
Pendle Music Bursary Fund	-	18,353	(7,185)	4,246	15,414
Pennine Lancashire Youth Enterprise Fund	-	961	(961)	-	-
Rossendale Community Fund	-	4,743	-	5,143	9,886
Rossiter Foundation	5,342	-	(5,000)	10,833	11,175
Royal London Assurance	2,161	-	-	(2,161)	-
Rumi and Rishi Fund	-	43,924	-	6,912	50,836
Runcat Community Action	16,369	-	(14,010)	-	2,359
RWE Innogy UK Ltd Hambledon Hill	-	18,000	-	-	18,000
Wind Farm Community Fund	-	-	-	-	-
Santander	69,000	329,330	(309,089)	-	89,241
Sefton Council	7,789	-	(2,094)	3,884	9,579
Shooting Stars Foundation	-	536	-	-	536
Shop Direct	1,889	11,847	-	1,294	15,030
Surviving Winter Lancashire	-	3,246	(1,635)	-	1,611
Surviving Winter Merseyside	2,857	1,055	(3,395)	-	517
UK CF	-	10,000	(10,000)	-	-
Victim Services and Restorative	-	-	-	-	-
Justice Development Fund	-	282,772	(282,772)	-	-
WO Street Lancashire	-	15,032	-	37,021	52,053
WO Street Merseyside	4,353	-	-	8,293	12,646
Youthbank	6,269	941	(5,000)	-	2,210
	<b>509,610</b>	<b>1,800,024</b>	<b>(1,814,136)</b>	<b>400,098</b>	<b>895,596</b>

Fund balances represent grants receivable for the charity to distribute in accordance with the terms and conditions of the donor. Balances on the funds represent undistributed funds held in the bank accounts.

Of the total grants awarded in the year, 38 grants amounting to £25,394 were awarded to individuals, and 494 grants amounting to £1,755,023 were awarded to voluntary and community groups.

All funds available, together with the criteria, priorities, areas covered and application process are detailed on our websites at [www.lancsfoundation.org.uk](http://www.lancsfoundation.org.uk) and [www.cfmerseyside.org.uk](http://www.cfmerseyside.org.uk).



**COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**15 UNRESTRICTED FUNDS**

	As at 1 April 2014	Movement in Resources			As at 31 March 2015
		Incoming	Outgoing	Transfers	
	£	£	£	£	£
Unrestricted funds	271,436	327,834	(440,965)	97,336	255,641

**16 ENDOWMENT FUNDS**

	As at 1 April 2014	Movement in Resources			As at 31 March 2015
		Incoming	Outgoing	Gains and Transfers	
	£	£	£	£	£
Permanent endowment	116,561	228,447	(2,959)	17,821	359,870
Expendable endowment	7,044,484	4,102,925	(47,295)	290,381	11,390,495
	<u>7,161,045</u>	<u>4,331,372</u>	<u>(50,254)</u>	<u>308,202</u>	<u>11,750,365</u>

Included in the above figures are the following significant (over £100,000) funds:

	1 April 2014				31 March 2015
	£	£	£	£	£
<b>Permanent endowment:</b>					
Rossendale Community Fund	-	132,391	(1,318)	8,027	139,100
Sefton MBC Education & Learning Trust	116,561	3,276	(723)	4,663	123,777
1 other fund	-	92,780	(918)	5,131	96,993
<b>Expendable endowment:</b>					
23 Foundation	1,127,343	34,103	(6,796)	12,994	1,167,644
Alfred Shaw Trust	-	357,389	-	13,374	370,763
BHP Billiton	272,174	9,411	(1,641)	1,960	281,904
Deutsche Bank	404,469	17,942	-	20,923	443,334
High Sheriffs and Merseyside Police Trust	513,583	46,494	(2,599)	(10,678)	546,800
Hill Dickinson Foundation	92,437	167,747	(211)	4,022	263,995
John Goore Trust	291,290	8,236	(1,756)	3,934	301,704
Lancaster Foundation	-	765,802	-	39,534	805,336
Leahy Foundation	742,447	175,693	(2,541)	21,733	937,332
Liverpool ONE Foundation	1,554,380	275,499	(5,296)	46,724	1,871,307
Mark McQueen Foundation (L)	-	159,278	(1,586)	7,327	165,019
Mark McQueen Foundation (M)	422,873	12,255	(2,549)	5,411	437,990
MJB Fund	675,408	21,387	(3,376)	13,094	706,513
New Progress Housing Tenants Fund	-	249,062	(2,473)	10,806	257,395
Pendle Music Bursary	-	210,708	-	6,798	217,506
Rumi and Rishi Fund	-	223,434	-	12,689	236,123
The Rossiter Family Fund	268,878	8,020	(1,621)	3,213	278,490
WO Street Lancashire	-	951,664	(9,474)	43,777	985,967
WO Street Merseyside	205,828	5,186	(1,241)	3,413	213,186
<b>18 other funds make up the balance of endowed funds:</b>					
	473,374	403,615	(4,135)	29,333	902,187
	<u>7,161,045</u>	<u>4,331,372</u>	<u>(50,254)</u>	<u>308,202</u>	<u>11,750,365</u>

The endowment fund is represented by investments, deposits with Rathbones, Investec and CCLA and bank accounts.

**17 ANALYSIS OF NET ASSETS  
BETWEEN FUNDS**

	Fixed assets	Investments	Net Current Assets	Total
		£	£	£
Endowment Funds	-	11,750,365	-	11,750,365
Restricted Funds	-	98,114	797,482	895,596
Unrestricted Funds	1,353	2,659	251,629	255,641
	<u>1,353</u>	<u>11,851,138</u>	<u>1,049,111</u>	<u>12,901,602</u>

# COMMUNITY FOUNDATIONS FOR LANCASHIRE AND MERSEYSIDE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015

#### 18 TRUSTEES' EXPENSES

No trustees have received remuneration. Travel expenses of £628 (2014: £144) were due to Arthur Roberts during the year, of which £135 was outstanding at year end.

#### 19 RELATED PARTY TRANSACTIONS

Ms Sally Yeoman, a retiring trustee in the year, is also the Chief Executive of Halton and St Helens Voluntary and Community Action (formerly St Helens Council for Voluntary Services) who have provided outreach and support services for the Foundation in previous years.

Mr WJ Bowley, a trustee, is a consultant with Brabners who provide legal services to the foundation. Fees paid to Brabners for services during the year amounted to £1,800.

Mr C Bliss, a trustee, is the Estate Director at Liverpool ONE, who have provided in-kind office premises to the foundation since January 2011, included in these accounts at a £70,000 value during the year. Liverpool ONE also hold endowment and restricted funds with the foundation. During 2014/15, the foundation received endowment donations of £220,500 to their fund, which was valued at £1,871,307 at 31 March 2015. The fund generated £75,698 during the year, of which £18,769 was donated towards the costs of the foundation, with the balance transferred for distribution through their restricted fund. The foundation received additional donations totalling £156,050 of which a donation of £21,050 contributed to costs and £135,000 was for distribution through their restricted fund. The Liverpool ONE fund has provided funding towards two projects run by the foundation during the year: the Youthbank project at £9,705 and the Philanthropy Fellowship at £2,500, of which Mr Bliss is a member.

In previous years, an agreement was in place for the supply of services between the Community Foundation for Merseyside and the Community Foundation for Lancashire relating to the provision of administrative services and staff sharing which resulted in staff and consultancy costs charged by Community Foundation for Merseyside to the Community Foundation for Lancashire of £64,358 in 2014. The Community Foundation for Lancashire transferred all assets to the Community Foundation for Merseyside on 1 April 2014 and the sums have either been utilised in the respective areas during the year, or remain as restricted balances for future distribution. The Community Foundation for Lancashire (Former) remains as a dormant company limited by guarantee in England and Wales, Number 06383299, and is also a registered charity with the Charity Commission Number 1123229.

#### 20 CONTINGENT LIABILITIES

The restricted fund balances carried forward at 31 March 2015 represent funds available due to the timing of the receipt of grant funds and their distribution. The conditions attaching to the funding streams are such that the balances represent income for the year as defined in the Charities SORP. Funds that cannot be distributed in accordance with the wishes of the donor will be returned to the donor.

#### 21 MEMBERS' LIABILITY

The charity is a private company limited by guarantee and consequently does not have share capital. The members are liable to contribute a maximum of £1 each towards the assets of the charity in the event of the company being wound up.

#### 22 ACQUISITION OF COMMUNITY FOUNDATION FOR LANCASHIRE (FORMER)

On 1 April 2014 the charity gained control, through becoming the sole member and holding the power to appoint the trustee board, or Community Foundation for Lancashire (Former) (CFLF(F)), a company limited by guarantee for no consideration. On the same day CFLF(F) made a donation to the charity of its assets and liabilities. The charity is of the opinion that the book value of the assets and liabilities donated represents their fair value. Charity Commission approval was obtained for these transactions prior to completion.

Due to the objectives of the charity being wider than those of CFLF(F), the donation in respect of the unrestricted reserves of CFLF(F) has been treated as restricted within the charity's accounts and these have been used in accordance with the objectives of CFLF(F). Following the merger of activities, CFLF(F) has remained inactive.

The assets and liabilities donated on 1 April 2014 were as follows:

	£
Investments	2,845,384
Debtors	51,620
Cash	137,284
Creditors	(50,243)
Net assets	<u>2,984,045</u>

Since acquisition the previous activities of CFLF(F) have been absorbed and restructured to fit with the activities of the charity and have not been operated in a way that allows separate identification of the income and expenditure relating to the donated assets and liabilities or of the cashflows arising from them.

#### Pre-acquisition results of the charity

Statutory accounts were prepared and filed at Companies House and the Charity Commission for the year ended 31 March 2014 for community Foundation for Lancashire (Former). These accounts reflect the historical activities of CFLF(F) prior to its acquisition and donation to the charity.