

ASSOCIATION OF CHARITABLE FOUNDATIONS

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2012

Charity No. 1105412

Company No. 5190466

Association of Charitable Foundations Trustees Annual Report for 2012

A MISSION, AIMS AND OBJECTIVES

Mission statement

ACF is the membership association for charitable foundations and grant-making trusts in the UK. We bring together the varied resources, skills and experience of our members to help them achieve their objectives as effectively as possible and to represent their interests. We exist to:

- Enable trusts and foundations to learn from each other's experience, to discuss matters of common concern, to confer with funders from other sectors, and to achieve good practice in their work;
- Improve the understanding of trusts and foundations among grant-seekers and the general public;
- Encourage philanthropy and promote the development of new foundations;
- Influence public policy affecting independent foundations and grant-making trusts, and provide relevant information to our membership.

Strategic objectives

ACF has two objectives for the period 2012-15, achievements against which are set out in the report below. Our objectives are:

- i. To support members in all aspects of the management and use of charitable resources;
- ii. To act as an authoritative voice for the common interests of members.

B ACHIEVING OUR OBJECTIVES

Context

Times are tough for many of the causes, organisations and individuals that foundations support. In the UK the harsh economic climate and public spending cuts, plus changes to welfare payments, have created a 'perfect storm' in which an increasing demand for charities' services is coupled with the decreasing availability of those services.

The environment for foundations is changing too: they face hard choices, reflecting the dilemmas confronted by many of their grantees. Most foundations with endowments have experienced lower returns on their investments, and have had to consider whether to use capital to sustain spending, where they are legally able to do this. With fewer public resources around, the work of foundations and their assets has been thrown into sharp relief. The moral pressure to make effective use of all the resources that foundations have at their disposal is acute and the choices made by the charitable funding sector have become more visible.

It is not the role of ACF to prescribe the response of foundations to these challenges, but we do have an important part to play in supporting our members in their

response. We do this by enabling conversations between members, with the aim of getting greater insight into the difficulties themselves; challenging members to think about the issues; and by sharing ideas and practical examples of how others are addressing them.

At a time when a profound restructuring of society appears to be underway, it is more important than ever that collectively foundations are able to articulate their own sense of ambition and place in a changing world. Throughout the year we have continued to represent the critical role that foundations play in civil society to government and policy makers, promoting the value of their work and defending their independence.

(i) SUPPORTING MEMBERS IN THEIR WORK

During the year we supported our members by means of our peer learning and networking events, our publications and knowledge sharing website, as well as through individual guidance and signposting by our staff team. By the year end, ACF's membership had grown to 323 organisations.

Events

Over 850 delegates attended our events and conferences in 2012, which included:

- A fully booked annual conference attended by 334 people from 153 different organisations;
- A series of seminars on effective endowment management;
- 21 seminars in our Professional Development Programme for foundations and grant-making trusts, looking at all aspects of good grant-making, from assessing applications to monitoring and evaluation;
- A conference on issues for funders in Northern Ireland, entitled *Leadership for a shared future*, with presentations from experts on the socio-economic and political context;
- 17 meetings of our member-led Issue Based Networks, focusing on various funding areas, from technological innovation to asylum, refugee and migration issues;
- Seminars on a number of topical themes, from welfare reform to intellectual property.

Chairs' Event

Our annual reception for Chairs of ACF members provided an opportunity for foundations to engage directly with Lord Hodgson, architect of the government's review of charity legislation. Lord Hodgson took Chairs through the key aspects of charity law as these applied primarily to charities in England and Wales, but also more generally in the UK, and responded to questions about the interface of charity law with trusts and foundations.

Endowment and resources management

We continued to develop our support for this important aspect of our members' work, publishing two seminal reports on endowment management strategy, and providing opportunities for foundations to think through the issues raised in the reports through a series of seminars, articles and conference workshops. The two reports are:

- *The governance and financial management of endowed charitable foundations* which explores the centrality of a foundation's charitable objects in deciding how best to deploy endowment assets and argues that only trustees collectively can decide what that entails.
- *For good and not for keeps* which was commissioned to explore one of the most testing questions faced by trustees of foundations with long-term missions: how much can we safely spend on our charitable activities year on year while preserving the value of our investment assets for future generations? Using case studies and based on original research, the report concluded that deciding how best to deliver their long-term charitable aims should be what drives decisions about how much endowed charities can spend from their investments - not the default assumption that trustees and advisors have to preserve endowments for all time.

We convened a new network for Finance Directors of very large foundations, which met three times in 2012. Called the FIRM network, its purpose is to support the Finance, Investment and Resources Management functions of charitable foundations with a view to sharing ideas about good practice in a conducive environment. FIRM has 19 members, including 4 who are not members of ACF, each of whom pays a small annual fee.

We continued to convene an Operational Support network focused on administrative effectiveness which provides a forum and exchange for those working in roles including personal and executive assistants, grants administrators, governance, human resources and back office support or a combination of all of these.

The success of the FIRM network proved the need for ACF to provide more targeted support to the substantial group of key operating staff in larger foundations that were less well served by our existing services. In response we organised the first ACF conference focusing on the resourcing issues affecting foundations. The conference received excellent feedback; 100% of the delegates who completed our evaluation survey said that if ACF made this an annual event, either they would come themselves or they would recommend it to a colleague. We plan to make this a regular fixture in the ACF calendar in future years.

Publications

ACF's monthly news bulletin, *Funders' News* keeps members informed about the legislative and policy issues that affect foundations and is available electronically to all trustees and staff of member foundations who would like to receive it. Our

regular magazine, *Trust & Foundation News*, provided more in-depth analysis of current trends, and with a circulation of 1,500 readers, provides a platform for foundations to share their experience and perspectives.

In 2012 we also published:

- *Spending out – making it happen*: practical guidance for foundations that have decided to spend all of their assets over a limited period of time, drawing on the experience of those who are well into the process.
- *Funding for the future: how all grant-makers can help to create a greener world* – a joint publication with the Intelligent Funding Forum.

Inspiring impact

ACF is part of the Inspiring Impact collaboration, which is coordinated by charity think tank and consultancy NPC (New Philanthropy Capital). Our role is to lead Inspiring Impact's work with funders. We convened a Funders for Impact Working Group with the remit to consider funders':

- perspectives on the impact practices of their grantees;
- frameworks for understanding their own impact.

The Group's work resulted in the publication of a framework for funders seeking to develop their impact practice, entitled *Funders' principles and drivers of good impact practice*.

Fundernetwork

After an initial six months we were pleased to secure additional funding to extend the pilot period of our knowledge sharing website for funders, fundernetwork.org.uk, for the whole of 2012. The website is exclusively for funders and now has 573 users from 300 organisations, about a quarter of which are not members of ACF. Our evaluation of the extended pilot period found that:

- 96% of those surveyed say that it has given them a better understanding of what others are doing;
- 53% have done something differently in their work as a result of the site;
- Nine in ten say that the website provides a 'safe space' for learning and sharing.

Conference

Fully booked for the third year in succession, our annual conference examined the social and financial issues raised by the global economic crisis, with feedback from members reporting that the conference was "*the best one yet*". 98% of delegates said that they would recommend the conference to a colleague. In two firsts for ACF, we put interviews with each plenary speaker on YouTube, which have been viewed 289 times, and we tweeted highlights from the conference on our conference twitter account @acfconf.

Northern Ireland

Evaluation of ACF's Northern Ireland pilot initiative showed that it was successful in enhancing members' understanding of the local funding environment and of

social, economic and political affairs. Members reported an increase in the effectiveness of their funding in Northern Ireland as a result. Briefings were prepared and opportunities for engagement with policy makers, sectoral representatives, and potential applicants were organised in special interest areas. These included arts and culture, criminal justice, older people, and impact measurement. A plan to extend and develop the initiative for a further two years was prepared and approved by the ACF Board, and funding secured.

Woburn Place Collaborative

ACF continued to provide the secretariat for the Woburn Place Collaborative (WPC), a grouping of 16 member foundations with a combined focus on social justice and collaboration. From its origins in 2005 WPC has developed its role and demonstrated the potential for collaboration between foundations with a shared focus, alongside the opportunity for in-depth consideration of current issues facing these members. Collaborations between group members have been documented, providing a wealth of examples of working together.

Intelligent Funding Forum

Co-convened with the Big Lottery Fund, this Forum met twice in 2012. It aims to foster positive change in funding policy and to share information on good practice in grant-making, including through its website www.acf.org.uk/iff/.

Guidance and signposting

ACF's small staff team continued to provide guidance and signposting in response to queries from members on a wide range of issues, including:

- Start up support for those setting up new foundations;
- Grant-making practice and policy;
- Legislative and regulatory matters;
- Staff and human resources concerns;
- Developments and trends in grant-making and the wider voluntary and community sector.

We also responded to enquiries from non-members wanting to access foundations, as well as individuals and organisations seeking advice on fundraising from foundations. We answer these as efficiently and effectively as possible – often signposting enquirers to information available on our website, or from other bodies.

(ii) AN AUTHORITATIVE VOICE FOR FOUNDATIONS

Developing a policy function

As part of our strategic review in 2011 members indicated that they wanted ACF to play more of a leadership role in setting the policy agenda for foundations in relation to enhancing their operating environment, whilst maintaining the principle of mutuality in its relationship with members. There was a strong desire for ACF to be more proactive in and engaged in articulating and representing their interests to policy makers. In response, we have begun to strengthen our capacity to influence

the policy, regulatory and legal environment in which foundations work, as well as to consolidate the evidence around the value of foundations and independent grant-making. ACF does not aim to have a policy voice on issues that relate to members' own areas of benefit, except by facilitating peer networking.

Over the past twelve months, ACF has been in a period of transition as we make the organisational changes that are needed to ensure that we are fit for our revised purpose. These have included piloting a new part-time policy adviser role, as well as, from September 2013, creating a new role of Head of Communications.

We have also developed our thinking and defined the scope of our policy function, to enable ACF to be more proactive and engaged in articulating and representing to policy makers the role of foundations in delivering public benefit. The aim of our policy work overall is to promote and enhance the work of foundations, and in particular to ensure that as far as possible the legal and regulatory environment allows foundations to thrive and better achieve their charitable aims. Our key policy objective to enable us to achieve this aim is to build positive awareness about foundations with opinion formers and policy makers and actively engage on key issues.

Already our scoping exercise has identified that there are several basic building blocks that we need to put in place in order to achieve our aim of becoming a more authoritative voice for foundations, as set out below.

Building blocks

An urgent priority is to develop an evidence base giving reliable data about the size and extent of the foundation sector as a whole, rather than simply about ACF members. We need to know more about the nature, resources, activities and distribution of charitable foundations in the UK. This context matters, so that we can continually develop learning about what helps foundations flourish, as well as what prevents them fulfilling their objectives.

Based on this evidence, we will develop a core public affairs narrative about the work and role of foundations, in order to frame conversations and communications with opinion formers and policy makers. The goal is that they will better understand the role foundations play in society and what they need to thrive. We will also develop a communications strategy, to identify the communications objectives that will support our policy goals.

Our plans to address these areas over the current strategic planning period are covered later in this report.

Representing the views of members

Our enhanced policy capacity was invaluable in enabling ACF to respond to a number of proposals by policy makers that would affect the work of foundations.

In terms of formal public consultations, there were two major overarching themes, with several stages running consecutively on each over a period of many months:

- The first was the Review of the 2006 Charities Act and its impact on charities in England and Wales, initially led by Lord Hodgson, whose recommendations were then considered by the Public Administration Select Committee and separately by the Minister for Civil Society. ACF gave evidence at each stage of the review, emphasising the importance of maintaining an independently-funded regulator and keeping charity registration thresholds unchanged.
- A second theme is the ongoing changes to financial reporting standards, which will culminate in the publication of a new Charities SORP early in 2014, to apply to foundations UK-wide. With very considerable help from a small group of members, ACF represented foundation concerns about accounting for grants and for investments to the Accounting Standards Board. We are now preparing to consult members about our response to the draft Charities SORP.

A third major theme was that of social investment, although our policy work here focused less on responding to formal public consultations and more on proactively working with policy makers to ensure that the perspectives of foundations are taken into account by the Westminster government and by the regulators. One example of this was our participation in the Charity Commission's roundtable consultation on its independent research report into charities and social investment. To support our work in this area we carried out research into the scope of ACF members' engagement in the emerging social investment market. This data will enable us to produce our first policy briefing paper aimed at drawing out the implications of the research for government policy makers and those building the social investment market.

Other issues to which we responded included:

- Meeting with the Exchequer Secretary to the Treasury to express concerns about the 2012 Budget proposal to cap tax relief on charitable giving – this proposal was subsequently abandoned.
- A Charity Commission consultation about the information it shows on its register of charities, where we argued strongly for the retention of current thresholds for compulsory registration. We also suggested improvements to the way charities are classified as 'grant-makers' that would greatly improve the data available about the foundation sector in England & Wales.
- The proposal for a European Foundation Statute, which will make it easier for foundations to support citizens' initiatives across Europe and make cross-border work less cumbersome. ACF led policy work on this issue in the UK as part of a wider campaign orchestrated by the European Foundation Centre in Brussels. The Statute has now been supported by the European Parliament and must now be adopted unanimously by the Council in order to be implemented.

In addition we responded to a variety of other proposals that to a greater or lesser extent affect the work of foundations, including: VAT issues and draft regulations setting out how permanently endowed charities can adopt a total return approach to investments. We are also developing a regular series of face to face meetings with civil servants who are working on policy issues relevant to foundations' operating environment.

C THE FUTURE

Making a step change

In our last annual report we outlined how, in order fully to achieve our strategic objectives, we would need to make a step change in ACF's policy work, as well as in the type of support that we provide to foundations. We reported that we would develop a fund-raising strategy to support the additional revenue costs that are required during this time of transition.

As outlined above, we have made good progress in clarifying what an enhanced policy function would look like for ACF and defining our policy objectives. Our aim is to promote and enhance the work of foundations, and in particular to ensure that as far as possible the legal and regulatory environment allows foundations to thrive and better achieve their charitable goals. Our key policy objective to enable us to achieve this aim is to build positive awareness about foundations with opinion formers and policy makers and actively engage on key issues.

We have also identified the building blocks that need to be in place in order to achieve this objective. We are hopeful that we will secure the funding that we need to enable us to embed these transitional arrangements into our core work and to develop the evidence base that is needed to underpin our progress towards the policy goals that we have identified.

Our ambition is that all of our policy-making will be based on the best available evidence and we will build and strengthen our networks with researchers and policy leads in academia and other organisations. We intend to create more opportunities to commission and produce our own evidence and we aim to construct an ongoing monitor of trends in the foundation sector in the UK. Continuing to sharpen our policy related work and embedding this new approach in our core work will provide greater continuity and consistency across the areas on which we engage; a more immediate response to issues and needs; scope for a more proactive approach; and opportunities for synergies with other areas of work.

With an enhanced communications and policy capacity, we will be more proactive in facilitating challenging debates and discussions amongst members on the role of foundations in today's society. We will provide additional resources for trusts that want to review and enhance their effectiveness, in particular through our Effective Foundations Initiative, and continue to develop the support that we already provide

to foundations, including our Professional Development Programme, publications, events and other resources.

These changes will also have a beneficial impact on ACF and its relationship with members. The evidence base we have in mind should make ACF the 'go to' place for information about trusts and foundations in the UK. Our growing evidence base, including examples of foundations' contribution to society, should enrich exchange between members about their effectiveness, as well as shape and sharpen ACF's Professional Development Programme. This should encourage the recruitment and retention of members, increasing membership revenue and ultimately supporting the on-going sustainability of our capacity.

Philanthropy UK and Philanthropy Impact

Founded in 2001, ACF's Philanthropy UK project established itself as a leading resource for free and impartial advice to aspiring philanthropists who want to give effectively. The years since then have seen an enormous rise in interest in philanthropy, accompanied by substantial growth in support for those wishing to explore their philanthropic instincts. Several of these developments had their origins in initiatives of Philanthropy UK, with the result that the context for the development of philanthropy is now fundamentally different from that at the time of ACF's initial involvement. More recently, ACF has renewed its own focus on established charitable foundations and the effective use of their assets.

We therefore welcomed the opportunity to participate in discussions between the European Association for Philanthropy and Giving (EAPG); the Philanthropy Advisers Forum (PAF); and the Community Foundation Network (CFN) to create a new body with a single focus to encourage philanthropy development. These discussions bore fruit with the launch of Philanthropy Impact at the end of 2012, incorporating EAPG and PAF, and to which Philanthropy UK was also transferred.

Philanthropy Impact will take advantage of the off-line and on-line content contributions from both Philanthropy UK and EAPG, and the off-line offerings provided by EAPG and PAF. It will aim to eliminate duplication and to create a strong, resilient voice for philanthropy and its supporters. This is an exciting opportunity that plays to the strength of all three entities. It will greatly enhance existing activities and enable new ones to be created.

This is an appropriate moment to acknowledge all those who have generously contributed to the growth and influence of Philanthropy UK over these 11 years and without whom its success and influence could not have been achieved.

Working with others

ACF will continue to work together on issues of mutual concern with the Association of Charitable Organisations – the membership association for benevolent funds – which shares our office space. We liaise closely with the Scottish Grant-making Trusts Group and the Wales Funders Forum. At European level we value

our membership of DAFNE (the Donors and Foundations Network in Europe) which brings together foundation membership associations from across Europe to discuss areas of common interest, changes in European legislation and policy, and for peer support. We work closely with the European Foundation Centre, the Brussels-based membership association for foundations from across Europe, on issues of mutual interest.

City Philanthropy

We reported last year on a grant ACF received from the City Bridge Trust to promote philanthropy in the City of London under the umbrella of 'City Philanthropy - A Wealth of Opportunity'. This part-time project worked well in promoting philanthropy among the financial services community in the City through a series of inspiring events and a micro web-site, and began to evolve into a recognisable brand covering a variety of themes. In the light of this success, at the end of 2012 the Trust offered ACF a grant over three years to develop what is now the City Philanthropy Initiative (CPI).

ACF has employed Cheryl Chapman as Philanthropy Manager to take further the brand and to co-ordinate and manage the components of the existing project. With the aim of promoting and communicating the range of philanthropic activity in the City to London, the CPI will maintain a dedicated website; establish CP branded products and services; co-ordinate the philanthropic activities of the City Funding Network, Young Philanthropy Syndicate, and the City Philanthropy Beacon Award; establish a high profile Advisory Group; and advise and support the Mayorality in its ambition to help establish London as a global centre for philanthropy.

D GOVERNANCE

Role of the Trustee Board

The Board is responsible for the general management and supervision of the work of ACF. It sets ACF's strategy, delegating operational decisions to the Chief Executive and his staff.

Appointment of Board members

The Board comprises 12 elected members, together with up to five co-optees. All elected trustees must be connected to a member of ACF, whether this is as a trustee or as a member of staff. Their term of office is three years with re-election for a further term permitted. Potential trustees can be nominated by any full or associate member of ACF and, where there are more nominees than vacancies, an election is conducted by postal ballot.

Induction and training

Prior to attending their first meeting, new Board members meet with the Chair and have an initial induction meeting with the Chief Executive, with the opportunity to meet with the staff team. They receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission, together with papers from recent Board meetings. Trustees individually also attend

ACF's member events and thereby widen their awareness of current issues and concerns amongst ACF's membership.

ACF's objects and public benefit

The trustees have had regard to the Charity Commission's guidance on public benefit in considering what work the charity should undertake and in the performance of their duties.

ACF's objects are to "*further the work of charitable grant-making trusts and institutions for the public benefit by:*

- *advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research;*
- *promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources"*

As set out above, these objects are delivered through our twin strategic aims, of supporting members in all aspects of the management and use of charitable resources; and by acting as an authoritative voice for the common interests of foundations. This trustees' report has set out in detail how these aims have been taken forward. Each has been undertaken in support of the needs of the individuals, groups and communities who will have benefited as a consequence of the improved standards of practice and operation by our member trusts and foundations.

Risk

Having considered ACF's risk assessment and risk register, the Board has reviewed the major risks to which ACF may be exposed and is taking appropriate steps to mitigate them.

E FINANCIAL REVIEW

Sources of funding

ACF's principal sources of funding are membership subscriptions and grants, and fees for its charitable activities. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in the previous year. Unrestricted income from member subscriptions, as well as voluntary income from other sources, was used to provide services to members and others in support of our strategic objectives, as set out above. Restricted income in the form of project grants was used for specific areas of work described elsewhere in this report.

Our financial position

ACF continues to be affected by recessionary financial pressures and although we received £93,835 more than we spent in 2012, the bulk of this was on our restricted fund income and related to project income received at the end of the year for activities scheduled from 2013-6. We were pleased to make a small surplus of £22,633 on our unrestricted income, enabling us to replenish our reserves after drawing on them in 2011.

Looking ahead, ACF will need to move to new premises before mid-2014, when our lease at Central House comes to an end. Entering into a new lease is one of the most significant financial decisions we will make for the foreseeable future and we are confident that we will be able to find alternative accommodation that offers both good value for money and provides appropriate support to our role as a UK-wide membership association, in terms of location and facilities.

Reserves policy

The Trustee Board has reviewed the unrestricted reserves that ACF requires to sustain its operations. It concluded that a target general reserve equivalent to approximately three to six months unrestricted fund expenditure should be set, which would provide sufficient funds to cover ACF's management and support costs for that length of time. ACF's free reserves are £219,429 (once fixed assets are discounted). This is within the target set by the Board, being equivalent to between three and four months expenditure. The free reserves are made up of the General Fund (balance of £84,773) and the Long Term Reserve and Contingency Fund (balance of £150,000).

F LEGAL & ADMINISTRATIVE INFORMATION

Status

ACF is a registered charity, with registration number 1105412, and a company limited by guarantee, incorporated 27 July 2004, and registered in England and Wales (registration number 5190466). Its governing document is a Memorandum and Articles of Association. ACF's principal and registered office is: Central House, 14 Upper Woburn Place, London, WC1H 0AE.

ACF has a wholly owned trading subsidiary, ACF Conferences and Seminars Limited, a company limited by share capital and incorporated on 5 January 2000, registration number 3902450. The surplus achieved by the trading subsidiary in 2012, mainly by way of conference sponsorship was gifted to the Association at the end of the financial year. The trading accounts of the subsidiary have not been consolidated into the main accounts of the Association.

Trustees' responsibilities

The trustees (who are also directors of the Association of Charitable Foundations 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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;
- 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 audit information of which the charitable company's auditor is unaware; and
- 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

G TRUSTEES, STAFF AND ADVISERS

Board of Trustees

Chair – John Kingston OBE, Trustee, The Lloyd Fund

Vice Chair – Sara Llewellyn, Chief Executive, Barrow Cadbury Trust

Treasurer – James Brooke Turner, Finance Director, Nuffield Foundation

Simon Buxton, Trustee, Noel Buxton Trust (*Until November 2012*)

Myra Dow, Director of Care, St John's Hospital (*Until November 2012*)

Fraser Falconer, National Head Scotland, BBC Children in Need

Karisia Gichuke, Senior Grants Officer, City Bridge Trust (*until December 2012*)

Programme and Policy Officer, The Diana, Princess of Wales Memorial Fund

Paula Kahn, Trustee, Cripplegate Foundation (*From November 2012*)

Sandara Kelso-Robb, Executive Director, Lloyds TSB Foundation for Northern Ireland (*Until November 2012*)

Trudy Kilcullen, Chief Operations Officer, Jack Petchey Foundation

Lucy Palfreyman, Director of Finance and Resources, Paul Hamlyn Foundation

Colin Simon, Business Director, Comic Relief (*From November 2012*)

Andrew Stafford, Director, The Dulverton Trust (*From November 2012*)

Jane Streather, Trustee, The Millfield House Foundation

Lisa Suchet, Chief Executive, Nationwide Foundation (*Until November 2012*)

Cullagh Warnock, Programme Manager, Northern Rock Foundation

Pam Webb, Head of Zurich Community Trust

Tim Wilson, Principal Grants Officer, City Bridge Trust (*From November 2012*)

Staff

Chief Executive, David Emerson

Deputy Chief Executive, Carol Mack

Head of Finance and Administration, Nick Neal

Executive Assistant to Chief Executive, Stephanie Brittan

Membership Development Manager, Katherine Duerden

Membership Services and Special Projects Manager, Juliana Bell

Information & Membership Communications Officer, Mike Jousiffe (*until July 2013*)

Northern Ireland Development Officer, James Magowan

Project Co-ordinator, Kimberly Harwood

Membership Services Co-ordinator, Nikki Simms

City Philanthropy Initiative, Cheryl Chapman

We would also like to express our thanks to:

- Chris Rogers, who continues to provide invaluable support to ACF as a Policy Intern.
- Nikki Jeffery, Clore Fellow, who has been on a part-time secondment to ACF to support our research on foundations and social investment.

Bankers

Cater Allen Private Bank,
9 Nelson Street,
Bradford, BD1 5AN

CCLA Investment Management Ltd.,
COIF Charity Funds,
80 Cheapside, London, WC2V 6DZ

Unity Trust Bank,
Nine Brindleyplace,
Birmingham, B1 2HB

Close Brothers Limited,
10 Crown Place,
London, EC2A 4FT

Solicitors

Farrer & Co,
66 Lincoln's Inn Fields,
London, WC2A 3LH

Russell-Cooke,
2 Putney Hill, Putney,
London, SW15 6AB

Auditors

Saffery Champness Chartered Accountants,
Lion House, Red Lion Street, London WC1R 4GB

.....
John Kingston OBE (Chair)

.....
James Brooke Turner (Treasurer)

OUR THANKS

In addition to the ongoing support of its members, ACF's work would not be possible without additional support and encouragement from many members and other supporters. We would like to express our particular thanks for these as follows:

For financial support towards the post of Membership Development Manager:

- LankellyChase Foundation and the Barrow Cadbury Trust

For supporting our work in Northern Ireland, including the role of the Northern Ireland Development Officer:

- Building Change Trust
- Department for Social Development, Northern Ireland
- Lloyds TSB Foundation for Northern Ireland
- The Atlantic Philanthropies

For supporting a series of seminars on effective endowment management:

- CCLA

For sponsorship of the ACF 2012 conference:

- Buzzacott
- CCLA
- Schroders Charities
- Farrer & Co

For sponsoring the ACF 2013 conference:

- Newton Investment Management
- Schroders Charities
- Buzzacott
- Farrer & Co

For hosting the first ever ACF conference on Finance, Investment and Resources Management:

- CCLA

For support of our Effective Foundations Initiative:

- The Diana, Princess of Wales Memorial Fund
- The Tubney Charitable Trust

For their contribution towards the costs of Fundernetwork, which ACF developed in collaboration with NPC (New Philanthropy Capital):

- The Baring Foundation
- Big Lottery Fund
- The City Bridge Trust
- The Diana, Princess of Wales Memorial Fund

- The Harpur Trust
- Nominet Trust
- Northern Rock Foundation
- Trust for London
- Woodroffe Benton Foundation

For funding ACF to lead Inspiring Impact's work with funders:

- A consortium of funders, administered by NPC (New Philanthropy Capital)

For a grant to encourage philanthropy in the City of London:

- The City Bridge Trust

For strategic partnership funding of **Philanthropy UK** to develop the philanthropic infrastructure in England in partnership with UK Community Foundations:

- The Office for Civil Society

For their contribution towards the costs of the ACF/Intelligent Funding Forum joint publication: *Funding for the future: how all grant-makers can help to create a greener world*:

- Big Lottery Fund
- The City Bridge Trust

For leading and funding work on our publication *The governance and financial management of endowed charitable foundations*:

- Esmée Fairbairn Foundation
- Joseph Rowntree Charitable Trust
- Nuffield Foundation
- Paul Hamlyn Foundation
- Trinity College Cambridge
- Trust for London

For supporting and co-authoring the ACF publication *For good and not for keeps*:

- Schroders
- Kate Rogers
- Richard Jenkins

For support and co-hosting of the Intelligent Funding Forum:

- Big Lottery Fund

For serving on the FIRM steering group:

- Lucy Palfreyman, Paul Hamlyn Foundation (Chair)
- Claire Brown, Esmée Fairbairn Foundation
- James Brooke Turner, Nuffield Foundation

For serving on the Fundernetwork steering group:

- Simon Marshall, Big Lottery Fund
- Jenny Field, The City Bridge Trust
- Andrew Cooper, The Diana, Princess of Wales Memorial Fund
- Tris Lumley, Lucy de Las Casas, and Matt van Poortvliet, NPC (New Philanthropy Capital)
- Dan Sutch, Nominet Trust
- James Hope, Woodroffe Benton Foundation

For serving on the social investment policy reference panel:

- Claire Brown, Esmée Fairbairn Foundation
- Jonathan Burchfield, Stone King LLP
- James Money-Kyrle, St John's Hospital, Bath
- Andrew Stafford, The Dulverton Trust
- Rob Williamson, Community Foundation Tyne & Wear and Northumberland

We would also like to thank all those members who have generously hosted meetings on behalf of ACF or given their time to convene Issue Based Networks or to speak at our events.

ASSOCIATION OF CHARITABLE FOUNDATIONS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 21 to 31. 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) and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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, 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 Auditing Practices Board'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 charity'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' Annual 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charity's state of affairs as at 31 December 2012 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 applicable to Smaller Entities; and
- have been prepared in accordance with 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.

- the trustees were not entitled to prepare the financial statements and the Trustees' Annual Report in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Cara Turlington (Senior Statutory Auditor)

For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

Association of Charitable Foundations
Year Ended 31 December 2012

Statement of Financial Activities

	Notes	Unrestricted Funds	Restricted Funds	2012 Total Funds	2011 Total Funds
Incoming Resources					
Voluntary income:					
Gifted from subsidiary company		30,721	-	30,721	10,588
Activities for Generating Funds:					
Commercial support & sponsorship		10,000	-	10,000	-
Investment income:					
Bank Interest		2,107	-	2,107	1,957
Incoming resources from charitable activities					
Members' Subscriptions		466,331	19,210	485,541	444,625
WPC & FIRM Subscriptions		23,450	-	23,450	18,700
Conferences and Meetings		84,280	-	84,280	87,637
Fees and Grants	5	-	288,905	288,905	249,414
Sale of Publications		820	-	820	837
Earned Income		44,606	-	44,606	69,345
Rent and Services		28,570	-	28,570	27,745
Total Incoming Resources		690,885	308,115	999,000	910,848
Resources Expended					
Charitable activities					
Members' Services		481,472	-	481,472	451,310
Conferences and Meetings		27,519	-	27,519	28,177
Rent and Services		137,992	2,000	139,992	160,172
Project Expenditure	5	-	234,913	234,913	203,993
Governance Costs		21,269	-	21,269	27,395
Total Resources Expended	4	668,252	236,913	905,165	871,047
Net incoming resources	2	22,633	71,202	93,835	39,801
Reconciliation of Funds					
Total funds brought forward at 1 January 2012		212,140	114,970	327,110	287,309
Total funds carried fwd at 31 December 2012	13	234,773	186,172	420,945	327,110

The above outcomes reflect activities which are continuing except for projects which are completed during the year - see note 5. There are no other recognised gains and losses other than those stated above. The movements of funds are shown in notes 5 & 12.

Association of Charitable Foundations
Balance Sheet as at 31 December 2012

	Note	2012 £	2011 £
Tangible fixed assets	7	15,344	13,516
Investments	8	2	2
		<hr/>	<hr/>
		15,346	13,518
Current assets			
Debtors	9	86,534	98,015
Cash at bank and in hand		418,713	373,699
		<hr/>	<hr/>
		505,247	471,714
Creditors: due within one year	10	(43,648)	(110,122)
		<hr/>	<hr/>
Net current assets		461,599	361,592
Creditors: due after one year	10a	(56,000)	(48,000)
TOTAL NET ASSETS		<hr/> <hr/>	<hr/> <hr/>
		420,945	327,110
Funds			
Restricted Funds	5, 13	186,172	114,970
<u>Unrestricted funds:</u>			
Designated funds	12, 13	150,000	150,000
General fund	13	84,773	62,140
		<hr/>	<hr/>
TOTAL FUNDS		<hr/> <hr/>	<hr/> <hr/>
		420,945	327,110

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Trustee Board on 2 May 2013
and signed on its behalf by:

John Kingston OBE Chair

James Brooke Turner Treasurer

Company Number 5190466

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Association of Charitable Foundations - Year Ended 31 December 2012

Notes to the financial statements

1 Accounting Policies

- a) These financial statements have been prepared under the historical cost convention and in accordance with the provision of the Companies Act 2006, the revised Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" and the Financial Reporting Standards for Smaller Entities (effective April 2008).

The following principal accounting policies have been consistently applied in preparing the financial statements.

- b) Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises donations and other incoming resources received or generated for the objects of the Association without further specified purpose. The Designated Fund consist of the:

(i) Long Term Reserve Contingency Fund is a designated fund.

Unrestricted grants and subscriptions are recognised in full in the Statement of Financial Activities in the period in which they are receivable.

- c) Restricted funds are to be used for specified purposes as laid down by the donor. Restricted grants are recognised in full in the Statement of Financial Activities in the period in which they are received or receivable whichever is the earlier, unless they are for a specified period in which case they are deferred.

The restricted fund comprises a project fund, where income and expenditure are restricted to specified work. These funds and movements in them are described in note 5.

All other funds are unrestricted.

- d) Expenditure on office equipment of less than £500 is charged to the Statement of Financial Activities when incurred. Expenditure greater than £500 is capitalised and depreciated. Depreciation is provided on capitalised fixed assets at rates calculated to write off the cost of each asset over their expected useful lives as follows (less estimated residual value where this is readily available):

Furniture	-	3 years
Office, computer, and telecommunications equipment	-	3 years
Leasehold improvements - Central House	-	Remaining period

- e) The Association belongs to the Pensions Trust for Charities and Voluntary Organisations and contributes to money purchase pension schemes run by the Trust and to another scheme to which a member of staff belongs. Contributions are treated as expenses in the year in which they are payable.

- f) All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to receipt. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

- g) All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable bases. Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resource within the organisation.

Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements.

- h) The investment in the subsidiary is stated at cost.

2. Net incoming resources before transfers

These are stated after charging:	2012	2011
	£	£
Depreciation	11,241	11,443
Auditors' remuneration: audit services current year	10,000	9,000
Auditors' remuneration: in respect of prior years	-	-
Auditors' remuneration: non audit services	-	-
Operating lease rentals: property	86,400	86,400
	<u>86,400</u>	<u>86,400</u>

3. Staff Costs and Numbers

	2012	2011
	£	£
Salaries	381,733	370,944
National Insurance	39,626	36,538
Pension contributions	34,756	32,098
Recruitment, training & other costs	2,557	2,733
Temporary staff & consultancy (including maternity cover)	101,127	57,251
	<u>559,799</u>	<u>499,564</u>

Staff costs have been split in the following way:

Unrestricted funds - Members' Services	373,738	340,468
Membership Development	42,064	40,598
Inspiring Impact	6,500	-
City Philanthropy Initiative	30,572	17,673
Effective Foundations Initiative	-	1,000
Policy Development	25,000	-
IFF Environmental	2,795	3,600
Philanthropy UK	48,667	58,282
Northern Ireland	17,552	20,193
Trustee Books	-	4,000
Knowledge Sharing	12,911	9,849
Spending Out	-	-
Other	-	3,901
	<u>559,799</u>	<u>499,564</u>

(Note 4)

Number

Number

The number of employees whose remuneration (including salary and employer's pension contributions) fell between the following bands was:

£80,000 and £89,999	1	1
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The average number of permanent employees (full-time equivalent) during the year was:

Charitable Activities	8.4	8.4
Governance	0.6	0.6
	<u>9.0</u>	<u>9.0</u>

4. Resources Expended

Analysis of Total Resources Expended	Staff Costs	Indirect Costs	Governance Costs	2012	2011
	£	£	£	£	£
Unrestricted Funds					
Members' Services	373,739	107,733	-	481,472	451,310
Conferences and Meetings	-	27,519	-	27,519	28,177
Rent and Services	-	137,992	-	137,992	141,454
Governance Costs	-	-	21,269	21,269	27,395
Total Unrestricted RE	373,739	273,244	21,269	668,252	648,336
Restricted Funds					
Project Expenditure	186,059	50,854	-	236,913	222,711
Total Restricted RE	186,059	50,854	-	236,913	222,711
Total Resources Expended	559,799	324,098	21,269	905,165	871,047
	(Note 3 and 4b)	(Note 4a)	(Note 4c)		

Note 4a Analysis of Indirect Costs	Members' Services	Rent and Services	Conf & Meetings	Project Expenditure	2012	2011
	£	£	£	£	£	£
ICT & Communications	20,793	-	-	37,405	58,198	55,946
Printed Matter etc	47,878	-	-	4,112	51,990	50,214
Meetings & Events	-	-	27,519	1,700	29,219	28,177
Other & staff expenses	39,062	-	-	5,637	44,699	49,579
Property Related	-	137,992	-	2,000	139,992	160,172
WPC Expenses	-	-	-	-	-	-
	107,733	137,992	27,519	50,854	324,098	344,088

Note 4b Analysis of Staff Costs	Members' Services	Project Expenditure	2012	2011
	£	£	£	£
Salaries	283,845	97,888	381,733	370,944
National Insurance	31,550	8,075	39,625	36,538
Pension Contributions	27,976	6,780	34,756	32,098
Temporary Staff & Consultancy	27,811	73,316	101,127	57,865
Recruitment	767	-	767	900
Training & Childcare vouchers	1,791	-	1,791	1,219
	373,740	186,059	559,799	499,564

Note 4c Analysis of Governance	2012	2011
	£	£
AGM/ Annual Review	1,410	968
Audit Fee- current year	10,000	8,211
Consultancy (Board Papers)	1,875	3,765
Member Survey	2,930	1,721
Strategic Review & ACO merger	2,007	9,800
Internal & External Meetings	1,063	1,063
Travel Expenses	1,211	812
Postal Ballot	420	408
Sundries	353	647
	21,269	27,395

5. RESTRICTED FUNDS INCOME & EXPENDITURE														
1 January 2012 to 31 December 2012														
	Effective Fdn Initiative	Grant Fraud	IFF	Mem Dev	NIDO	Knowledge Sharing Website	Trustee Books	PUK/ CFN 2011	Policy Dev	City Philanthropy Initiative	QF	Inspiring Impact	Total 2012	Total 2011
Income														
Fees & Grants	106,493			11,000	15,777	14,500		25	25,000	40,000		7,500	220,270	196,082
Publication Sales				20,745	10			67,065					25	76,420
Other income	10,528	(1,972)	2,171				(2,219)				(8,508)		87,820	-
Transfers													-	-
Total Project Income	117,021	(1,972)	2,171	31,745	15,787	14,500	(2,219)	67,090	25,000	40,000	(8,508)	7,500	308,115	272,502
Expenditure														
Staff / Consultancy			2,795	42,064	17,552	12,911		48,667	25,000	30,572		6,500	186,061	159,096
Accommodation					672	10,529		2,000		10,164			2,000	18,718
ICT & Comms								16,038		1,327			37,403	32,447
Printed Matter etc	690		1,776		4	315						84	4,112	948
Meetings etc					1,616								1,700	-
Other Expenses				25	3,664			1,069		879			5,637	11,502
Total Project Exp	690	-	4,571	42,089	23,508	23,755	-	67,774	25,000	42,942	-	6,584	236,913	222,711
Net Income	116,331	(1,972)	(2,400)	(10,344)	(7,721)	(9,255)	(2,219)	(684)	-	(2,942)	(8,508)	916	71,202	49,791
As at 1.1.12	49,000	1,972	2,400	10,344	16,304	11,369	2,219	684	-	12,170	8,508	-	114,970	65,179
As at 31.12.12	165,331	-	-	-	8,583	2,114	-	-	-	9,228	-	916	186,172	114,970

6. Trustee Board Expenses

The Trustee Board members received no remuneration.

The amount of travel and other expenses reimbursed to, or paid on behalf of four Trustee Board members was £1,211 (2011: four members £812).

7. Tangible Fixed Assets

	Leasehold improvements £	Furniture £	Office, computer & telecom equipment £	Total £
COST				
At 1 January 2012	66,292	8,829	63,157	138,278
Additions in the year		-	13,669	13,669
Disposals in the year	-	-	(14,009)	-
At 31 December 2012	<u>66,292</u>	<u>8,829</u>	<u>62,817</u>	<u>137,938</u>
DEPRECIATION				
At 1 January 2012	(61,228)	(8,829)	(54,705)	(124,762)
Disposals in the year	-	-	13,409	13,409
Charge for the year	(2,027)	-	(9,214)	(11,241)
At 31 December 2012	<u>(63,255)</u>	<u>(8,829)</u>	<u>(50,510)</u>	<u>(122,594)</u>
NET BOOK VALUE				
At 31 December 2012	<u><u>3,037</u></u>	<u><u>-</u></u>	<u><u>12,307</u></u>	<u><u>15,344</u></u>
At 31 December 2011	<u><u>5,064</u></u>	<u><u>-</u></u>	<u><u>8,452</u></u>	<u><u>13,516</u></u>

All tangible fixed assets are used for direct charitable purposes.

8. Investments

	2012	2011
	£	£
Investment in subsidiary undertaking	<u>2</u>	<u>2</u>

The charity holds 100% of the issued ordinary share capital of the following company:

<u>Subsidiary</u>	<u>Country of registration</u>	<u>Class</u>	<u>Shares Held</u>
ACF Conferences and Seminars Ltd	England and Wales	Ordinary	100%

The aggregate amount of capital and reserves and result of this undertaking for the last relevant financial year were as follows:

<u>Subsidiary</u>	<u>Principal activity</u>	<u>Capital and reserves</u>	<u>Profit for the financial year</u>
ACF Conferences and Seminars Ltd	Organisation of ACF Conferences	(752)	-

Consolidated accounts are not produced on the basis of immateriality

9. Debtors

	2012	2011
	£	£
Amounts due from subsidiary undertaking	5,057	5,057
Prepayments and accruals	31,528	44,907
Other debtors	49,949	48,051
	<u>86,534</u>	<u>98,015</u>

£5,000 of the total owed by ACF Conference and Seminars Ltd is a loan and is repayable at the option of the charity and is non interest-bearing.

10. Creditors: amounts falling due within one year

	Note	2012	2011
		£	£
Accruals		11,584	13,399
WPC Designated Income		200	1,300
Meeting fees received in advance		4,285	4,976
Subscriptions received in advance		6,775	9,120
Rent & services		-	65,200
		-	-
Other creditors		20,804	16,127
		<u>43,648</u>	<u>110,122</u>

10a. Creditors: amounts falling due after one year

	2012	2011
	£	£
Dilapidations provision	<u>56,000</u>	<u>48,000</u>

In 2005 and 2006 the Association set aside £4,000 each year to cover the future expenses that may arise if the premises that the charity operates from falls into a state of disrepair - from 2007 onwards this provision was increased to £8,000 for each year.

11. Taxation

The Association is exempt from tax as all its income is charitable and is applied for charitable purposes.

12. Designated funds

	LTRCF £	2012 £	2011 £
Balances at 1 January	150,000	150,000	150,000
Transfer (to)/from General Fund	-	-	-
	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Balance at 31 December	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

The Long Term Reserve and Contingency Fund is a designated fund whose purpose is to provide a working reserve to underpin the Association's work and to hold funds kept for unforeseen contingencies, such as a move of office accommodation, the need for temporary replacement staff during sickness, or other expenditure outside the Association's normal pattern of operating.

13. Analysis of net assets between funds

	Tangible Fixed Assets £	Current Assets £	Creditors £	Net Assets 31.12.12 £
<i>Restricted Funds</i>				
Project Funds	-	186,172	-	186,172
<i>Unrestricted Funds</i>				
Designated Fund	15,344	134,656	-	150,000
General Fund	2	184,419	(99,648)	84,773
	<u>15,346</u>	<u>505,247</u>	<u>(99,648)</u>	<u>420,945</u>

14. Operating lease commitments

	2012 £	2012 £	2011 £	2011 £
	L & B	Office Equipment	L & B	Office Equipment
Within one year	-	-	-	-
Between 1 and 5 years	<u>72,000</u>	<u>3,661</u>	<u>72,000</u>	<u>3,320</u>
	<u>72,000</u>	<u>3,661</u>	<u>72,000</u>	<u>3,320</u>

The ownership of the Charity's offices changed hands during 2008 and the rent payable from July 2009 onwards has been agreed at £72,000 per annum.

The Charity upgraded its photocopier in 2012 and the new annual figure is reflected above.

15: Pension obligations note – Pensions Trust Growth Plan

1. The Association of Charitable Foundations participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.
2. The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
3. The Association of Charitable Foundations paid contributions at the rate of 10% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.
4. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Growth Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
5. The valuation of the assets of the Growth Plan on the Technical Provisions valuation basis amounted to £780.3 million as at 30 September 2011. At the same date the liabilities were £927.9 million, resulting in a deficit of £147.6 million and a funding level of 84.1%. The proposed recovery plan for the Growth Plan aims to eliminate the deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013.
6. The next full actuarial valuation will be carried out as at 30 September 2014.
7. The Association of Charitable Foundations has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2012. As of this date the estimated employer debt for The Association of Charitable Foundations was £219,176.62.
8. The additional contributions required from the Association of Charitable Foundations (referred to in Note 5) for the year from 1 April 2013 will be £9,217.20 per annum.