

Registered number: 04088589
Charity number: 1084361

Kent Community Foundation
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 March 2018

Kent Community Foundation
(A company limited by guarantee)

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**Reference and administrative details of the company, its trustees and advisers
for the year ended 31 March 2018**

Trustees

The Lady Colgrain DL (resigned 31 May 2017)
Arthur B Gulland
Victoria Jessel (resigned 3 November 2017)
Tim Bull
Ann West MBE JP DL
Georgina Warner DL
Peter Williams MBE
Sarah Hohler
Hugo Fenwick
Robert Sackville-West DL (appointed 5 May 2017)
Melissa Murdoch (appointed 3 November 2017)
Emilia Falchetti Boscawen (appointed 4 May 2018)

Patron

Viscount De L'Isle, The Lord Lieutenant of Kent

Vice Presidents

Lady Nelson
Simon macLachlan
The Right Reverend James Langstaff, The Bishop of Rochester

Investment managers

Investec Wealth and Investment Limited
30 Gresham Street
London
EC2V 7QN

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Company registered number

04088589

Charity registered number

1084361

Registered office

Evegate Park Barn
Evegate
Smeeth
Ashford
Kent
TN25 6SX

Company secretary

Sarah Osborne

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**Reference and administrative details of the company, its trustees and advisers
for the year ended 31 March 2018**

Advisers (continued)

Chief Executive

Josephine McCartney

Auditors

Kreston Reeves LLP
Statutory Auditors
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Gullands
16 Mill Street
Maidstone
Kent
ME15 6XT

Kent Community Foundation
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Trustees' report
for the year ended 31 March 2018

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Kent Community Foundation (the company) for the year ended 31 March 2018. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The promotion of any charitable purposes for the benefit of the community in the County of Kent and the Borough of Medway and in particular the advancement of education, the protection of good health, both mental and physical, and the relief of poverty and sickness. Other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the Trustees, beneficial to the community including those in the area of benefit.

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of the Kent Community Foundation is stated in its 'Objectives and Activities' and the trustees ensure that this purpose is carried out for the public benefit by working to the Mission Statement.

Kent Community Foundation meets its charitable objectives by encouraging and facilitating financial and other support to a wide range of charitable causes, with a particular focus on assisting and enabling local community action in Kent and Medway. This means that the majority of the Foundation's grants are made to local community organisations in Kent and Medway, often reliant on volunteers. The trustees have identified four priority themes to inform local community grant-making over the coming years:

- Children Young People and Families: Enabling young people and families to overcome disadvantage and achieve their potential.
- Vulnerable Adults: Promoting the safety, well-being and independence of vulnerable adults.
- The Elderly and Isolated: Addressing the challenges faced by elderly adults; mostly importantly, social isolation. Enabling the elderly to stay well, healthy and independent.
- Employability, Skills and Enterprise: Raising the aspirations and increasing the skills and opportunities of people who are far from the labour market due to a range of circumstances that can present barriers to employment and training.

b. Strategies for achieving objectives

Kent Community Foundation encourages and enables a culture of local charitable giving, primarily for the benefit of the communities of Kent and Medway. The Foundation aims to improve the lives of local people, particularly the most disadvantaged and vulnerable, through the raising and distribution of funds given by private individuals and families, companies and other charitable trusts with the means and commitment to support their local community.

Kent Community Foundation proactively raises and develops new funds for Kent and Medway, typically through donor-advised funds. Establishing permanent resources to benefit the local community is at the heart of the Foundation so raising endowment funds is a particular focus of our fund development strategies. The Foundation established a new match funding endowment programme in January 2018. The Colyer-Fergusson Charitable Trust will add £1 for every £1 donated to an endowment fund up to the value of £1 million.

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Trustees' report (continued)
for the year ended 31 March 2018

Kent Community Foundation has a sophisticated grant-making and outreach infrastructure to distribute funds to local causes. Funds can operate within the Foundation's Priority themes or bespoke grant-making criteria can be developed for individual Funds.

In October 2017, Kent Community Foundation passed the latest Quality Accreditation by UK Community Foundations, achieving accreditation for the next three years. Quality Accreditation is a programme which endorses and encourages best practice by Community Foundations and has been held by Kent Community Foundation since 2007. Achieving Quality Accreditation demonstrates that the Foundation is serious about quality and accountability, and enables us to position ourselves as part of a high performing network across the UK.

c. Fundraising Practices

Kent Community Foundation is also a registered member of the Fundraising Regulator which is the independent regulator of charitable fundraising established to strengthen the system of charity regulation and restore public trust in fundraising. The Foundation is therefore committed to following The Code of Fundraising Practice. Kent Community Foundation has a complaints procedure to deal with any issues raised by stakeholders and has not received any complaints regarding its fundraising activities during the year. The Foundation takes a responsible approach to its fundraising, ensuring its donors and potential donors are treated with respect and has a vulnerable adults policy that its trustees regularly review. The Foundation has not used any commercial fundraising partners or outsourced any of its fundraising activity and does not intend to do so in the future.

Achievements and performance

a. Key financial performance indicators

Over this year, new funds of £2,542,826 were raised and £2,261,769 was distributed in grants.

During the year the foundation increased its endowment funds by £675,465. With total endowment funds at the end of the year standing at £18,348,813, the foundation has exceeded the target the trustees set in the business plan which ended in March 2018 by over £3million.

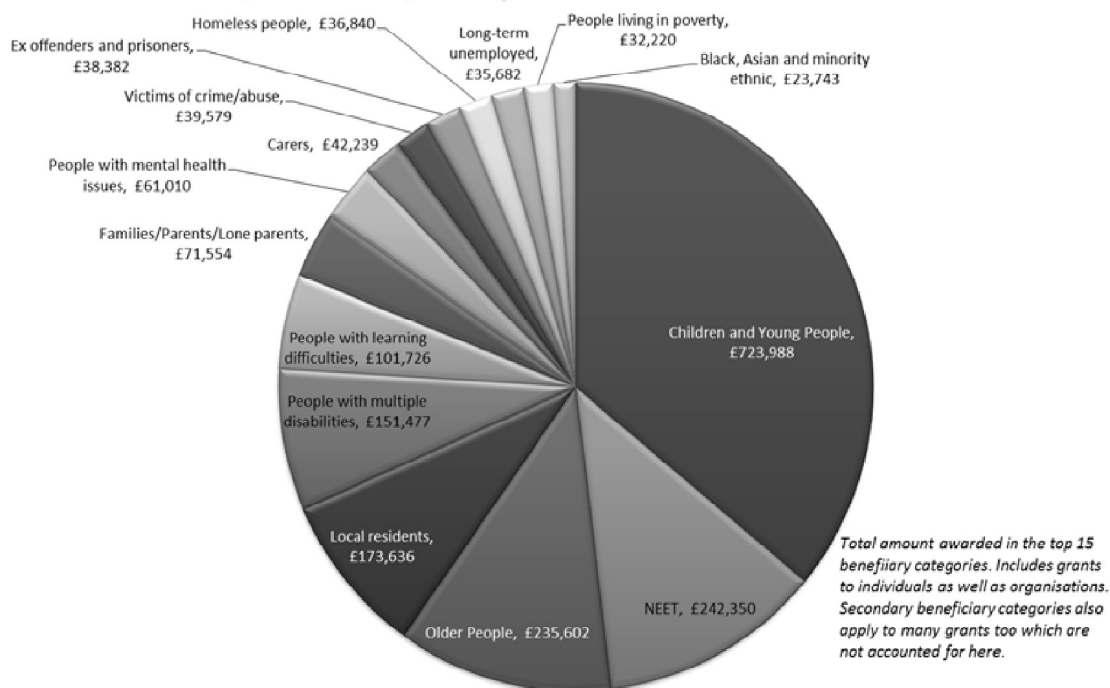
b. Review of activities

Kent Community Foundation manages a growing number of named, donor advised funds set up by individuals, families, companies and charitable trusts. In the financial year, Kent Community Foundation's charitable expenditure was £3,515,287. The Foundation made 560 grants to charities and community projects covering a vast array of causes from supporting unemployed people on the pathway to work to providing lunch clubs for elderly people. In particular, Kent Community Foundation supports local charities and grassroots community groups that provide local services and support, organise and mobilise volunteers to help those most in need, create new opportunities and transform the lives of the most disadvantaged in the community. The vast majority of grants made during the year were £5,000 or under. As these very local projects are often volunteer led, they can make the most of modest funds to make a lasting difference.

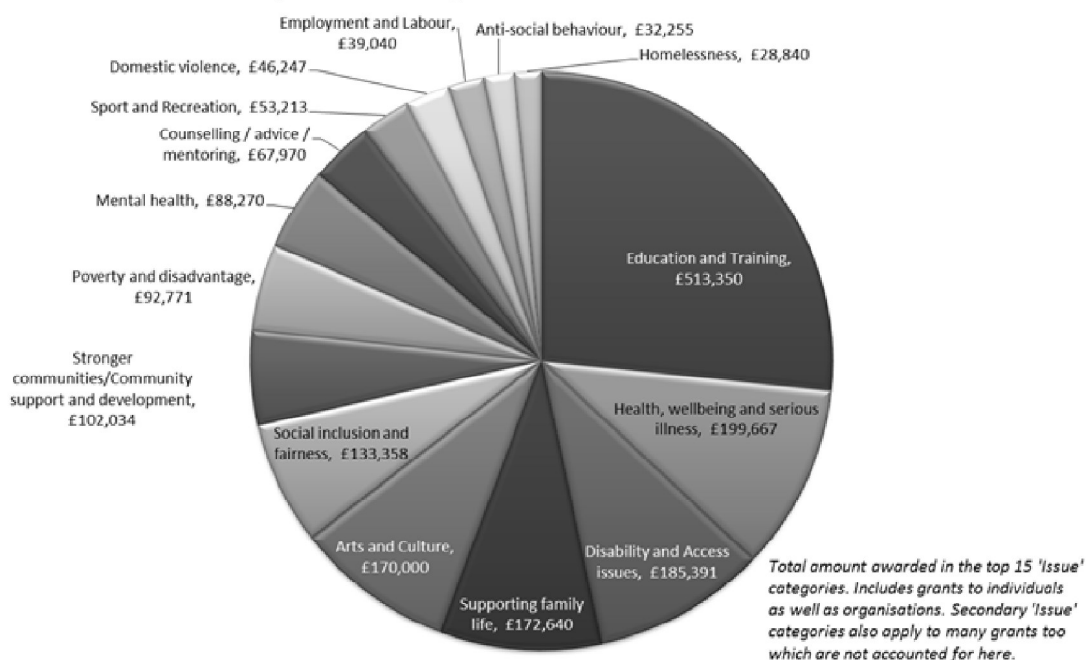
Kent Community Foundation has a county wide reach with grants being made in every district of Kent and Medway across a wide range of issues and beneficiary groups. The tables overleaf illustrate the breadth and range of grants made across the county; displaying the highest-funded primary beneficiary groups and issues during the year. These definitions are how applicants have chosen to describe the need they are trying to address and the people they help.

Trustees' report (continued)
for the year ended 31 March 2018

Primary Beneficiary Categories: Amount Awarded 2017/18



Primary Issue Categories: Amount Awarded 2017/18



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Trustees' report (continued)
for the year ended 31 March 2018

Kent Big Society Fund, the loan fund which was established with £3m of funding from Kent County Council in March 2012, is now well established and has become a valuable source of investment for local Kent based charities and social enterprises who want to grow and develop for community benefit. With the capacity to consider loans of between £10,000 and £100,000 on bespoke, flexible terms, Kent Big Society Fund supports all sizes of social venture. Primarily a loan fund, there is also scope for an element of grant funding as well as providing applicants with investment support and advice. By April 2017, Kent Big Society Fund had supported in excess of 250 applicants and offered loans and grants to the value of £2.623m. Kent Big Society Fund was boosted with an additional £500,000 from Big Lottery Growth Fund in October, 2017 and has been rebranded as the Kent Social Enterprise Loan Fund.

The Foundation created a new grants programme to provide much needed core support to local organisations, having identified the lack of grants available in the voluntary sector for general running costs. The first grants were awarded in December 2017. Six organisations have been funded in the first year with a £12,000 grant per organisation.

Kent Community Foundation welcomes applications that fit with the priorities of the Foundation's various grant and loan-making Funds. To find out what Funds are open to applications, see Kent Community Foundation's website where the latest funding rounds are advertised (www.kentcf.org.uk).

c. Investment policy and performance

All investment decisions by the Foundation are considered by the Investment Committee and ratified by a quorum of Trustees. The Foundation's Investment Policy is reviewed from time to time by the Board of Trustees. The Foundation aims to meet a balance between current needs and developing the endowment to meet the needs of future generations. Therefore, investment of endowed funds should achieve a balance between capital growth and income and performance is monitored on a quarterly basis.

The Foundation seeks to produce the best financial return within an acceptable level of risk. The aim is to distribute 5% of fund value annually to cover both grant-making in the community and the contribution to KCF's own costs, while maintaining the long-term value of the Foundation's endowment funds. The Foundation adopts a total return approach with the aim of optimising the return generated, regardless of whether this is obtained from dividends, interest or capital gain. However, the Foundation would generally expect 70% of its distribution to come from income.

The Foundation regularly reviews the real value of its investment funds and may take action, including reducing the annual drawdown, if the long term endowment of the Foundation is at risk. However, the Foundation takes a long-term view and recognises the context of its overall strategy to continually raise new funds to add to the overall endowment. In this regard, the Foundation treats its investment funds as expendable, rather than permanent, endowment.

The Investment Committee meets twice during each year to review performance of the investments and meets face to face with the Relationship Managers from both investment houses the charity work with.

The committee was satisfied with the performance of the investments which have performed above agreed benchmarks.

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Trustees' report (continued)
for the year ended 31 March 2018

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

The aim of Kent Community Foundation is to benefit the local communities of Kent and Medway. An important way we do this is by encouraging individuals, businesses and funders to establish donor-advised-funds with the Charity. Generally, these funds are restricted for specific community grant-making with a portion given over as a contribution towards the core running costs of the Community Foundation itself. This gives Kent Community Foundation a level of security in terms of regular income, but there are still some uncertainties as flow-through funds and the value of endowed funds fluctuate from year to year.

Kent Community Foundation's income tends to arise from a modest number of significant donations, rather than a large number of smaller donations. Given the amounts involved and the long-term nature of these funds, the trustees are mindful of the need to give stakeholders, particularly existing and potential donors, confidence that the Charity has sufficient reserves to carry on its activities in the face of a shortfall of income or unexpected financial difficulties.

The trustees have considered the above and have agreed that the Charity will retain a minimum of 6 months' anticipated running costs as reserves. In addition, where possible, the trustees plan to hold a margin above this level of reserves to ensure the Charity is in a position to respond quickly to, and invest in, new opportunities as and when they arise.

The level of reserves at 31st March, 2018 was £356,882 which was the equivalent of 8.2 months operating costs. The trustees considered this level of reserve and agreed it was appropriate given the above policy.

c. Principal funding

The principal sources of funding are individuals, companies, charitable trusts and other organisations with an interest in the communities of Kent and Medway. Significant donations were received during the period from the following institutions: The John Swire 1989 Charitable Trust, Dover Harbour Board, Arun Estates Ltd, The Brook Trust, Gatwick Airport and the Colyer-Fergusson Charitable Trust.

d. Material investments policy

The Foundation's assets can be invested widely and diversified by asset class. Asset classes can include cash, bonds, UK and overseas equities, property, hedge funds, structured products, private equity, commodities and any other asset class deemed suitable for the Foundation.

The Foundation's Investment committee agree a suitable asset allocation strategy with each investment manager. Ranges for tactical asset allocation and benchmarks are reviewed and agreed by the Investment committee with the Investment Managers from time to time.

The Foundation's Investment Managers concentrate on what they regard as good quality securities that can be invested in for the medium to long-term. In order to pass their quality threshold they take into account a number of factors and risks which may include environmental factors. They also meet, where possible, with the management of the companies they invest in and engage with them and vote on issues that they regard as material.

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Trustees' report (continued)
for the year ended 31 March 2018

The principal managed funds the Foundation invests in have basic ethical restrictions, prohibiting or limiting investment in the following areas:

- Oil Sands extraction
- Energy coal extraction
- Landmines, cluster munitions
- Tobacco
- Pornography (production)
- Gambling (Online)

For any donor advised funds with strong ethical investment requirements, the Foundation has the option of a multi-asset pooled fund that specialises in charity ethical investing whose policies include:

- Excludes companies with involvement in supporting oppressive regimes, or the production of landmines, cluster bombs or nuclear weapons.
- Excludes companies with significant involvement (>10% of turnover) in alcohol, energy coal extraction, gambling, pornography, tobacco, high interest rate lending or strategic military sales.
- Exposure to any form of conventional weapons manufacturing will not exceed 1% of total assets.
- Careful consideration of ESG ratings, EIRIS' standard Burma screen and FTSE's Human & Labour Rights rating.

The Foundation regularly reviews these ethical restrictions as part of its investment policy and ensures investments do not conflict with the Foundation's charitable purposes.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed on 20 October 2000. The Company is a registered Charity (number 1084361), registered on 5 January 2001. Operations commenced during April 2001.

b. Method of appointment or election of Trustees

Trustees are appointed by the Board of Trustees. Potential new Trustees are identified by a process of needs analysis and intelligence gathering through a robust network of contacts and referrals.

c. Policies adopted for the induction and training of Trustees

New trustees undergo an initial induction to brief on the role of a trustee, Kent Community Foundation's charitable purpose, strategy & priorities, finances, staffing & operations and any current issues. Thereafter, there is an annual trustee away day and other training is arranged as appropriate.

d. Pay policy for senior staff

A Committee of Trustees has been set up which considers and assesses pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. All decisions of the Staffing and Remuneration Committee are ratified by the Board of Trustees.

The trustees consider the Board of Trustees, the Chief Executive and the Head of Funds & Operations as the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year. Details of the trustee expenses and related party transactions are disclosed in note 8 of the accounts.

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Trustees' report (continued)
for the year ended 31 March 2018

The pay of the Chief Executive and Head of Funds & Operations is reviewed annually by the Remuneration Committee to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

e. Organisational structure and decision making

The Board of Trustees governs the Charity. The Chief Executive, supported by a team of (on average during the year) 11 full time equivalent paid staff, conducts the day to day business of the Charity, reporting to the Board.

Andy Garrett, Head of Operations, left the organisation in September 2017 after more than 5 years of service to the Foundation. Andy joined in 2012 to manage the Kent Big Society loan fund and over time took on oversight of the Foundation's grant making as Head of Grants and Operations. The Trustees are grateful to Andy for his contribution to the growth of the Foundation. Following Andy's departure, the role of Director of Grants and Impact was created. Natalie Smith, Kent Community Foundation's Senior Fund Manager took up this position. The Trustees hope the development of the grants team will enable the Foundation to pursue more in depth and meaningful impact assessment of KCF's activities in the future.

Lady Annabel Colgrain retired as Chair of Trustees on 31 May, 2017. Bella has been a staunch supporter of our work for more than 12 years, 10 of these as a member of our Board where she was invaluable in helping the Foundation to become the much respected and professional organisation that it is today. Bella's successor is Mr Tim Bull who became a trustee of the Foundation in 2011. Tim runs the Brook Trust, a privately-funded grant-making charity, which focuses on support for victims of domestic and sexual abuse, and early intervention projects.

f. Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Significant Risks identified by the trustees are as follows:

- Insufficient unrestricted funds/reserves to cover operations, mitigated by prudent management of reserves which do not fall below 6 months' running costs in accordance with the Charity's reserves policy and careful monitoring of financial position on a regular basis by trustees.
- Challenges recruiting new donors/fund-holders affecting fund development especially endowment growth, mitigated by priority focus on fund development activities by staff and trustees.
- Reputational risk if the Foundation fails to meet expectations of funders, donors, grantees and other stakeholders, mitigated by proactive client care strategies and high level of engagement.
- Key person risk, mitigated by continuing development of structure/operations and capacity of the Foundation to avoid over-reliance on one or two key individuals.
- Loss in value of endowments, mitigated by close supervision and scrutiny of external Investment Fund Managers by Trustee Investment Committee.
- Loss of funds due to fraud (including improper use or misdirection of grant making funds) mitigated by a robust financial procedures policy, anti-bribery policy and grant making policy reviewed and ratified regularly by the Board of Trustees.
- Risk to data security (including personal data), by cyber-attack or accidental data leak mitigated by our IT provider maintaining up to date security software and data protection procedures implemented from KCF's data protection policy recently reviewed by the Board to ensure compliance with GDPR.

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Trustees' report (continued)
for the year ended 31 March 2018

Plans for future periods

a. Future developments

The Foundation's mission is to proactively create strong, local communities by connecting those who want to help with those seeking help. The strategy moving forward will be to encourage new philanthropy from a broader supporter base whilst continuing to build our core endowment funds in order to ensure the long term sustainability and financial health of the Foundation. This will allow us continue to make a significant difference for local communities, in particular the most disadvantaged, vulnerable and socially excluded across Kent and Medway.

The key areas in Kent Community Foundation's strategy are:

1. To grow our designated and unrestricted funds to allow the Foundation to direct funding to where it is most needed across the county.
2. To develop and maintain effective grant and loan making operations, including the creation of a new multi-year funding programme to address some of the most pressing issues for local voluntary sector organisations in Kent and Medway.
3. To develop a robust impact model which will clearly demonstrate over time the difference the Foundation and our supporters have made to the most disadvantaged people of Kent and Medway.
4. To create a sustainable model of support for the voluntary sector by establishing strategic partnerships with intermediaries and other key stakeholders across the county.
5. To build our organisational capacity and resources, including sustainable core funding, to meet our objectives.

Disclosure of information to auditor

Each of the persons who are trustees (who are also directors of the charity for the purposes of the Companies Act) at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees, on 8 August 2018 and signed on their behalf by:

Tim Bull
Trustee

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Trustees' responsibilities statement
for the year ended 31 March 2018

The trustees (who are also directors of Kent Community Foundation 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

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.

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Independent auditor's report to the members of Kent Community Foundation

Opinion

We have audited the financial statements of Kent Community Foundation (the 'charitable company') for the year ended 31 March 2018 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the trustees in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an 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 trustees for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Respective responsibilities of trustees and auditors

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

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Independent auditor's report to the members of Kent Community Foundation

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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Independent auditor's report to the members of Kent Community Foundation

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Susan Robinson BA FCA FCIE DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime
Date:

Kent Community Foundation
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Statement of financial activities incorporating income and expenditure account
for the year ended 31 March 2018

	Note	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:						
Donations & legacies:						
Donations and grants	2	860,479	1,613,559	68,788	2,542,826	6,606,258
Operational contribution (internal cross-charging)	2	-	-	457,651	457,651	413,096
Other donations and legacies	2	-	-	-	-	15,540
Investments	3	-	779,483	6,454	785,937	620,122
Total income and endowments		860,479	2,393,042	532,893	3,786,414	7,655,016
Expenditure on:						
Raising funds	4	-	-	97,939	97,939	118,176
Charitable activities	6, 7	19,198	2,970,740	427,410	3,417,348	2,289,414
Total expenditure		19,198	2,970,740	525,349	3,515,287	2,407,590
Net income / (expenditure) before investment gains/(losses)		841,281	(577,698)	7,544	271,127	5,247,426
Net gains/(losses) on investments	11	(93,563)	-	-	(93,563)	1,604,243
Net income / (expenditure) before transfers		747,718	(577,698)	7,544	177,564	6,851,669
Transfers between Funds	16	(72,253)	72,253	-	-	-
Net income / (expenditure) before other recognised gains and losses		675,465	(505,445)	7,544	177,564	6,851,669
Net movement in funds		675,465	(505,445)	7,544	177,564	6,851,669
Reconciliation of funds:						
Total funds brought forward		17,673,348	3,957,152	349,338	21,979,838	15,128,169
Total funds carried forward		18,348,813	3,451,707	356,882	22,157,402	21,979,838

The notes on pages 18 to 34 form part of these financial statements.

Kent Community Foundation
(A company limited by guarantee)
Registered number: 04088589

Balance sheet
as at 31 March 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	10		362		1,052
Investments	11		20,071,648		18,755,401
			20,072,010		18,756,453
Current assets					
Stocks	12	-		7,000	
Debtors: amounts falling due after more than one year	13	268,628		358,395	
Debtors: amounts falling due within one year	13	110,701		142,500	
Cash at bank and in hand		2,407,191		3,440,765	
		2,786,520		3,948,660	
Creditors: amounts falling due within one year	14	(701,128)		(725,275)	
Net current assets			2,085,392		3,223,385
Net assets			22,157,402		21,979,838
Charity Funds					
Endowment funds	16		18,348,813		17,673,348
Restricted funds	16		3,451,707		3,957,152
Unrestricted funds	16		356,882		349,338
Total funds			22,157,402		21,979,838

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

The financial statements were approved and authorised for issue by the trustees on 8 August 2018 and signed on their behalf, by:

Tim Bull

The notes on pages 18 to 34 form part of these financial statements.

Kent Community Foundation
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(393,120)	4,630,677
Cash flows from investing activities:			
Dividends, interest and rents from investments		785,937	620,122
Purchase of tangible fixed assets		-	(1,087)
Proceeds from sale of investments		163,096	85,162
Purchase of investments		(1,589,487)	(5,212,867)
Net cash used in investing activities		(640,454)	(4,508,670)
Change in cash and cash equivalents in the year		(1,033,574)	122,007
Cash and cash equivalents brought forward		3,440,765	3,318,758
Cash and cash equivalents carried forward	19	2,407,191	3,440,765

The notes on pages 18 to 34 form part of these financial statements.

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

1. Accounting policies

Kent Community Foundation is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 04088589. The registered office is Evegate Park Barn, Evegate, Smeeth, Ashford, Kent, TN25 6SX.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements
for the year ended 31 March 2018

1. Accounting policies (continued)

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds represent those assets held in the long term by the charity, principally investments. In accordance with the trust deed and donors' wishes the capital is expendable, that is the capital can be converted into income at the discretion of the trustees in the furtherance of the charitable objectives. Income arising on the endowment fund can be used in accordance with the objectives of the charity and included as restricted income. Any capital gains and losses arising and the investment management charges and legal advice relating to the fund are charged against the fund.

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

1.5 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

For donations received subject to government backed match funding arrangements, such as the Community First Scheme, the additional funding received is recognised at the time of the donation.

Donations other than in the form of cash are recorded at fair value as at the date of the donation.

Notes to the financial statements
for the year ended 31 March 2018

1. Accounting policies (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

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

1.7 Tangible fixed assets and depreciation

All assets over £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 33 1/3% straight line
------------------	-------------------------

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

Notes to the financial statements
for the year ended 31 March 2018

1. Accounting policies (continued)

1.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes to the financial statements
for the year ended 31 March 2018

1. Accounting policies (continued)

1.14 Financial instruments

The charity enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the statement of financial activities and are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.15 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.16 Value Added Tax

Value Added Tax (VAT) is not recoverable by Kent Community Foundation, and as such is included in the relevant costs in the statement of financial activities.

Notes to the financial statements
for the year ended 31 March 2018

1. Accounting policies (continued)

1.17 Social investments

The objective of the Kent Social Enterprise Loan Fund is to support existing and emerging enterprises through the making of grants and concessionary loans. These loans are made or received by the charity to further its purposes and any interest charged is below prevailing market rates.

Kent Community Foundation has opted to initially recognise and measure the loans at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. Fees and interest are deemed to be restricted income, to be utilised in the making of future loans in accordance with the fund objectives.

If Kent Community Foundation consider that there is an objective evidence of impairment, for example a default on repayments due or evidence of significant financial difficulty in the entity in which the investment has been made, then an immediate impairment loss is recognised in the statement of financial activities as a cost within expenditure on charitable activities. The impairment is measured on the same basis as other investments or financial assets.

Amounts due for repayment after more than 12 months from the balance sheet date are shown as long-term debtors within current assets.

1.18 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The material judgements, estimates or assumptions that have had significant impact on amounts recognised in the financial statements are:

Investment valuations

Investment valuations are obtained by trustees from the investment managers, who utilise the closing quoted market price information available at the balance sheet date.

Impairment of social investment debtors

The charity makes an estimate of the recoverable value of social investment debtors. When assessing the impairment of the social investment debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 13 for the net carrying amount of social investment debtors.

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

2. Incoming resources

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and grants	860,479	1,613,559	68,788	2,542,826	6,606,258
Operational contribution (internal cross-charging)	-	-	457,651	457,651	413,096
Subtotal detailed disclosure	860,479	1,613,559	526,439	3,000,477	7,019,354
Other similar incoming resources	-	-	-	-	15,540
Total donations and legacies	860,479	1,613,559	526,439	3,000,477	7,034,894
Total 2017	5,181,487	1,401,709	451,698	7,034,894	

From time to time, Kent Community Foundation receives substantial one-off donations to set up donor advised funds. This can mean that income from donations and grants is subject to fluctuation from year to year.

3. Investment income

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	-	754,109	6,454	760,563	600,281
Kent Social Enterprise Loan Fund income	-	25,374	-	25,374	19,841
	-	779,483	6,454	785,937	620,122
Total 2017	-	598,879	21,243	620,122	

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

4. Costs of generating voluntary income

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Office costs	-	-	2,435	2,435	6,069
Travel	-	-	1,281	1,281	2,736
Marketing and advertising	-	-	4,332	4,332	9,916
Sundries	-	-	508	508	855
Rent	-	-	5,768	5,768	7,055
Events	-	-	-	-	6,416
Staff training	-	-	1,093	1,093	-
IT support	-	-	3,574	3,574	2,040
Insurance	-	-	297	297	490
Bank charges	-	-	48	48	172
Subscriptions	-	-	3,478	3,478	5,273
Bookkeeping	-	-	2,859	2,859	3,815
Legal fees	-	-	3,901	3,901	1,854
Salaries and pensions	-	-	68,365	68,365	71,485
	-	-	97,939	97,939	118,176
Total 2017	-	-	118,176	118,176	

5. Grants payable in furtherance of the Charity's objectives

	Grants to Institutions 2018 £	Grants to Individuals 2018 £	Total 2018 £	Total 2017 £
Grants	2,033,269	53,864	2,087,133	1,197,759
Community First Grant-making	174,636	-	174,636	318,709
	2,207,905	53,864	2,261,769	1,516,468
Total 2017	1,472,424	44,044	1,516,468	

From time to time, Kent Community Foundation makes large one-off donations from donor-advised funds which can mean Grants payable is subject to significant fluctuation from year to year.

A list of the recipients of significant grants made to institutions is available on request from the charity's registered office and is available on the charity's website: www.kentcf.org.uk

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

6. Costs of charitable activities

	2018 £	2017 £
Grants payable (see Note 5)	2,261,769	1,516,468
Operational contribution	403,667	326,382
KSELF operational contribution	84,430	82,774
Staff training	4,373	2,200
Rent & rates	23,073	14,113
Office costs	9,739	12,140
Marketing and advertising	17,327	2,700
Insurance	1,186	980
Bank charges	191	345
Sundries	15,939	12,257
Legal fees	810	1,561
Bookkeeping	11,435	7,632
IT support	14,294	4,080
Travel	5,125	5,472
Events	4,396	-
Salaries and pensions	308,632	253,246
Depreciation	690	2,464
Loan impairment	240,072	35,000
Audit Fees	10,200	9,600
	<u>3,417,348</u>	<u>2,289,414</u>

7. Charitable expenditure summary by fund type

	2018 £	2017 £
Endowment funds	19,198	-
Restricted funds	2,970,740	1,960,624
Unrestricted funds	427,410	328,790
	<u>3,417,348</u>	<u>2,289,414</u>

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	690	2,464
Auditor's remuneration - audit	10,200	10,200
	<u>10,890</u>	<u>12,664</u>

During the year, no trustees received any remuneration (2017 - £NIL).

During the year, no trustees received any benefits in kind (2017 - £NIL).

During the year, no trustees received any reimbursement of expenses (2017 - £NIL).

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

9. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	321,083	277,038
Social security costs	28,174	25,225
Other pension costs	27,740	22,468
	<hr/> 376,997 <hr/>	<hr/> 324,731 <hr/>

The average number of persons employed by the company during the year was as follows:

2018	2017
No.	No.
11	9

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £70,001 - £80,000	1	0

The total salaries received by key management personnel was £114,375 (2017: £100,217). Employer pension contributions were a total of £9,947 (2017: £8,097) and employer national insurance contributions were a total of £13,624 (2017: £11,870).

10. Tangible fixed assets

	Office equipment £
Cost	
At 1 April 2017	30,204
Disposals	(18,841)
At 31 March 2018	<hr/> 11,363 <hr/>
Depreciation	
At 1 April 2017	29,152
Charge for the year	690
On disposals	(18,841)
At 31 March 2018	<hr/> 11,001 <hr/>
Net book value	
At 31 March 2018	<hr/> 362 <hr/>
At 31 March 2017	<hr/> 1,052 <hr/>

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

11. Fixed asset investments

	Listed securities £
Market value	
At 1 April 2017	18,755,401
Additions	1,589,486
Disposals	(163,096)
Revaluations	(110,143)
	<hr/>
At 31 March 2018	20,071,648
	<hr/> <hr/>

Revaluations

The total decrease of revaluations of £110,143 disclosed above includes £93,563 attributable to the charity and £16,581 attributable to client money held.

Investments at market value comprise:

	31 March 2018 £	31 March 2017 £
Listed Investments	18,449,032	17,816,930
Cash held for investment	1,622,616	938,471
	<hr/>	<hr/>
	20,071,648	18,755,401
	<hr/> <hr/>	<hr/> <hr/>

12. Stocks

	2018 £	2017 £
Donated goods	-	7,000
	<hr/>	<hr/>

13. Debtors

	2018 £	2017 £
Due after more than one year		
Loans	268,628	358,395
	<hr/>	<hr/>
Due within one year		
Loans	109,116	142,250
Other debtors	250	250
Prepayments and accrued income	1,335	-
	<hr/>	<hr/>
	110,701	142,500
	<hr/> <hr/>	<hr/> <hr/>

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

13. Debtors (continued)

Loans consist of loans to borrowers issued through the Kent Social Enterprise Loan Fund.

14. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	2,506	1,683
Other taxation and social security	8,288	6,540
Client money held	620,334	632,052
Other creditors	70,000	85,000
	<hr/> 701,128 <hr/>	<hr/> 725,275 <hr/>

The Kent Community Foundation hold funds of £620,334 (2017: £632,052) in respect of the Spires Academy.

15. Financial Instruments

	2018	2017
	£	£
Financial assets that are debt instruments measured at amortised cost	377,994	500,895
Financial liabilities measured at amortised cost	(692,841)	(718,735)
Financial assets measured at fair value	18,449,032	17,816,929
	<hr/> 18,134,185 <hr/>	<hr/> 17,599,089 <hr/>

Financial assets measured at amortised cost comprise loans and other debtors.

Financial assets measured at fair value comprise listed investments.

Financial liabilities measured at amortised cost comprise trade creditors, client money held, accruals and other creditors.

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Unrestricted funds						
General Funds	349,338	532,893	(525,349)	-	-	356,882
Endowment funds						
	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Grassroots Funds						
Endowment funds	5,642,806	303,184	(14,198)	25,000	(160,738)	5,796,054
Other Endowment Funds	5,295,474	205,827	-	-	(45,645)	5,455,656
Community First Endowment Funds for Kent	6,735,068	351,468	(5,000)	(97,253)	112,820	7,097,103
	17,673,348	860,479	(19,198)	(72,253)	(93,563)	18,348,813
Restricted funds						
	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Donor Advised Funds - Individuals	1,102,237	1,249,216	(1,514,743)	71,353	-	908,063
Donor Advised Funds - Corporate	495,737	674,809	(702,895)	355	-	468,006
Miscellaneous Funds	74,604	274,455	(281,717)	545	-	67,887
Comic Relief	-	61,055	(32,428)	-	-	28,627
Community Cash Fund	-	18,433	(17,006)	-	-	1,427
Kent Social Enterprise Loan Fund	2,244,574	25,374	(338,551)	-	-	1,931,397
Youth Social Action Fund	40,000	62,000	(55,700)	-	-	46,300
Big Lottery Fund	-	27,700	(27,700)	-	-	-
	3,957,152	2,393,042	(2,970,740)	72,253	-	3,451,707
Total of funds	21,979,838	3,786,414	(3,515,287)	-	(93,563)	22,157,402

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

16. Statement of funds (continued)

Endowment funds relate to amounts received from philanthropists who want to provide a lasting legacy for their local community. This includes matched funding received under the Grassroots scheme (which ended on 31 March 2011) and the Community First scheme (which ended 31 March 2015). The income received on endowment funds is treated as restricted income, to be expended in accordance with the criteria of each fund as agreed by the donors.

In addition the charity receives donations from donors which are treated as restricted funds to be expended in accordance with the wishes of the donor concerned. Details of the grant-making criteria for funds available for application from the community are publicised on the Kent Community Foundation website. Timing differences between receiving restricted donations and making grants can result in variances in net incoming resources from year to year.

The object of the Comic Relief Fund is to empower local people, enabling them to create lasting change in their communities, with priority given to small, locally based groups or organisations in areas of disadvantage. At certain points in the year there is also an additional focus on sport-related projects. Comic Relief have a number of funding streams administered locally by KCF including Local Communities, Community Cash and Large Grants programmes.

The object of the Kent Social Enterprise Loan Fund is to support existing and emerging social enterprises.

Statement of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
General Funds	323,363	472,941	(446,966)	-	-	349,338
Endowment funds						
Grassroots Funds						
Endowment funds	5,065,883	-	-	-	576,923	5,642,806
Other Endowment Funds	1,062	5,156,487	-	(1,022)	138,947	5,295,474
Community First						
Endowment Funds for Kent	5,866,030	25,000	-	(44,335)	888,373	6,735,068
	<u>10,932,975</u>	<u>5,181,487</u>	<u>-</u>	<u>(45,357)</u>	<u>1,604,243</u>	<u>17,673,348</u>

Kent Community Foundation
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2018

16. Statement of funds (continued)

Restricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Donor Advised Funds - Individuals	923,622	1,053,673	(919,892)	44,834	-	1,102,237
Donor Advised Funds - Corporate	434,321	756,712	(695,501)	205	-	495,737
Miscellaneous Funds	60,981	66,071	(52,766)	318	-	74,604
Comic Relief	96,346	60,291	(156,637)	-	-	-
The Kent Big Society Fund	2,356,561	19,841	(131,828)	-	-	2,244,574
Youth Social Action Fund	-	44,000	(4,000)	-	-	40,000
	<u>3,871,831</u>	<u>2,000,588</u>	<u>(1,960,624)</u>	<u>45,357</u>	<u>-</u>	<u>3,957,152</u>
Total of funds	<u>15,128,169</u>	<u>7,655,016</u>	<u>(2,407,590)</u>	<u>-</u>	<u>1,604,243</u>	<u>21,979,838</u>

Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
General funds	349,338	532,893	(525,349)	-	-	356,882
Endowment funds	17,673,348	860,479	(19,198)	(72,253)	(93,563)	18,348,813
Restricted funds	3,957,152	2,393,042	(2,970,740)	72,253	-	3,451,707
	<u>21,979,838</u>	<u>3,786,414</u>	<u>(3,515,287)</u>	<u>-</u>	<u>(93,563)</u>	<u>22,157,402</u>

Summary of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
General funds	323,363	472,941	(446,966)	-	-	349,338
Endowment funds	10,932,975	5,181,487	-	(45,357)	1,604,243	17,673,348
Restricted funds	3,871,831	2,000,588	(1,960,624)	45,357	-	3,957,152
	<u>15,128,169</u>	<u>7,655,016</u>	<u>(2,407,590)</u>	<u>-</u>	<u>1,604,243</u>	<u>21,979,838</u>

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	362	362
Fixed asset investments	18,348,813	1,722,835	-	20,071,648
Debtors due after more than 1 year	-	268,628	-	268,628
Current assets	-	2,080,579	437,314	2,517,893
Creditors due within one year	-	(620,335)	(80,794)	(701,129)
	<u>18,348,813</u>	<u>3,451,707</u>	<u>356,882</u>	<u>22,157,402</u>

Analysis of net assets between funds - prior year

	Endowment funds 2017 £	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,052	1,052
Fixed asset investments	17,673,348	1,082,053	-	18,755,401
Debtors due after more than 1 year	-	358,395	-	358,395
Current assets	-	3,148,756	441,509	3,590,265
Creditors due within one year	-	(632,052)	(93,223)	(725,275)
	<u>17,673,348</u>	<u>3,957,152</u>	<u>349,338</u>	<u>21,979,838</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	177,564	6,851,669
Adjustment for:		
Depreciation charges	690	2,464
Losses/(gains) on investments	110,143	(1,658,771)
Dividends, interest and rents from investments	(785,937)	(620,122)
Decrease/(increase) in stocks	7,000	(7,000)
Decrease in debtors	121,566	24,533
(Decrease)/increase in creditors	(24,146)	37,904
Net cash (used in)/provided by operating activities	<u>(393,120)</u>	<u>4,630,677</u>

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19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	2,407,191	3,440,765
Total	2,407,191	3,440,765

20. Operating lease commitments

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	26,280	26,280
Between 1 and 5 years	24,514	50,794
Total	50,794	77,074

21. Related party transactions

During the year the Kent Community Foundation supported a number of other charities and social enterprises which have one or more Trustees in common with the Foundation. All such donations, grants or loans have been made in accordance with the same eligibility criteria as all other similar applications for support received.

Conversely, from time to time, Kent Community Foundation receives donations from charities which have one or more trustees who are also trustees of the Foundation or who are related to a trustee of the Foundation.

The Trustee Arthur B Gulland is a partner in Gullands Solicitors. During the year, there were no professional fees paid to Gullands Solicitors (2017: £1,728).

During the year, the trustees donated £22,360 (2017: £3,850) to the charity.

See note 9 of the financial statements for details of the key management personnel remuneration.

22. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the Trustees.