

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 2020

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

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KENT COMMUNITY FOUNDATION
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Reference and administrative details of the charitable company, its Trustees and advisers
For the year ended 31 March 2020

Trustees

Tim Bull
Ann West MBE JP DL
Georgina Warner DL
Peter Williams MBE
Sarah Hohler
Hugo Fenwick
Robert Sackville-West DL
Melissa Murdoch DL
Emilia Falcetti Boscawen
Gail Hall (appointed 7 June 2019)

Company registered number

04088589

Charity registered number

1084361

Registered office

Evegate Park Barn
Evegate
Smeeth
Ashford
Kent
TN25 6SX

Company secretary

Sarah Osborne

Chief executive officer

Josephine McCartney

Independent auditor

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

KENT COMMUNITY FOUNDATION

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Reference and administrative details of the charitable company, its Trustees and advisers (continued)
For the year ended 31 March 2020

Bankers

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

Metro Bank
One Southampton Row
London
WC1B 5HA

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Patron

Viscount De L'Isle, The Lord Lieutenant of Kent (retired 21 April 2020)

The Lady Colgrain DL, Lord-Lieutenant of Kent (appointed 22 April 2020)

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

Website

www.kentcf.org.uk

KENT COMMUNITY FOUNDATION
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Trustees' report
For the year ended 31 March 2020

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Kent Community Foundation (the company) for the year ended 31 March 2020. 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 2019).

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 Foundation's objectives are 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 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; most 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.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2020

Objectives and activities (continued)

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 individuals and private 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 fund development strategies. The Foundation established a new match funding endowment programme with the Lawson Trust for 2019/20 pledging £1 to match every £1 donated up to a total of £1m. During the year, this initiative saw £785,000 donated from the Trust to match with new endowment donations; nine new funds were created with over £1.6m invested (including gift aid) as a result. The balance of the endowment match will be drawn down by December 2020.

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. The current Quality Accreditation has been extended by a year by UKCF, with the next accreditation being carried out in 2021.

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. No complaints regarding fundraising have been received 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 performance indicators

Over this year, new funds of £7,765,643 were raised including £3,318,476 of endowment funds and £3,281,640 was distributed in grants. In addition the Foundation also administered grants totalling £316,175 from third party funders.

At 31st March the Foundation held total endowment funds of £21,661,175.

Trustees' report (continued)
For the year ended 31 March 2020

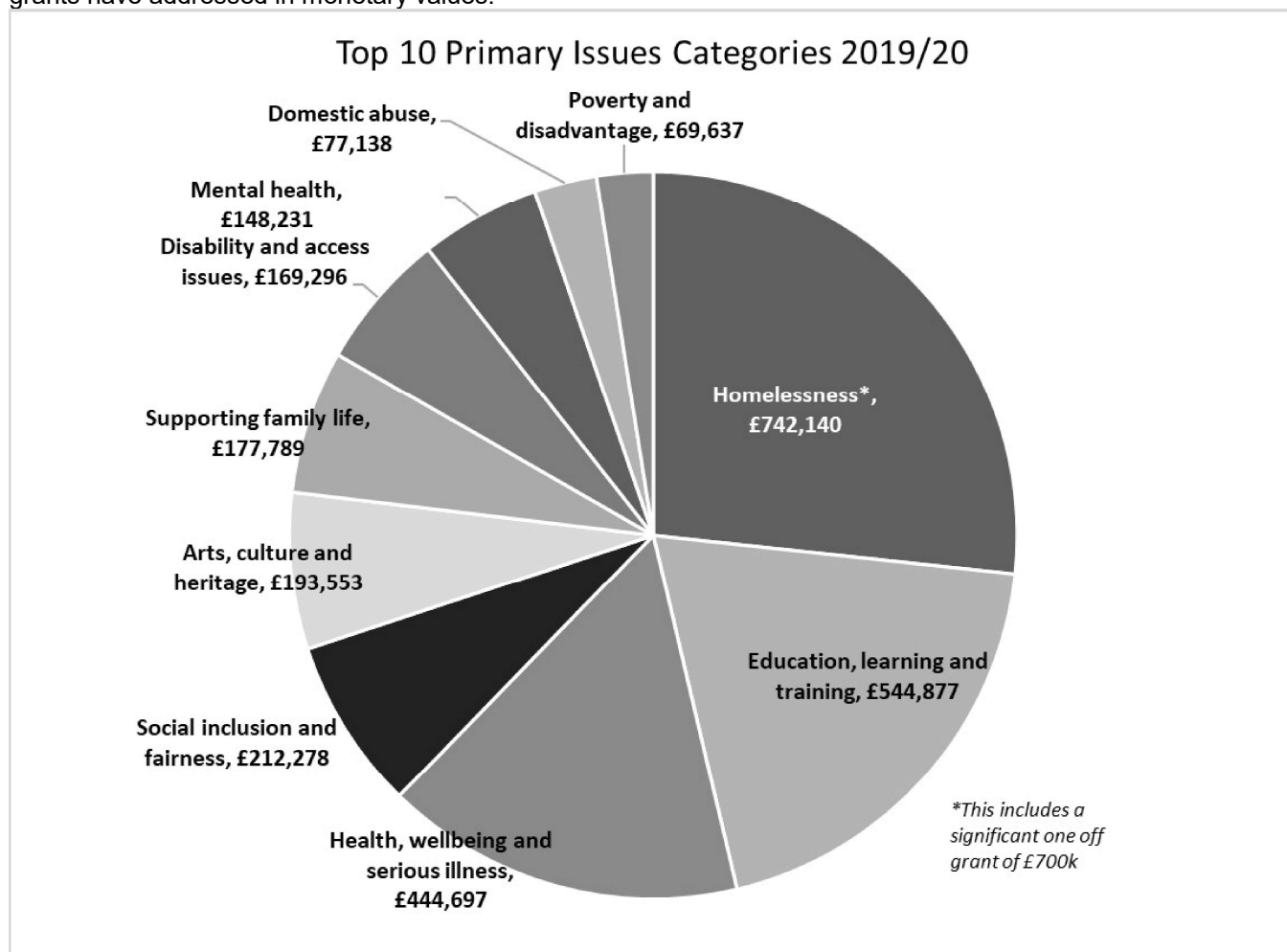
Achievements and performance (continued)

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 £4,396,864. The Foundation made 600 grants to charities (plus nine additional grants for third party funders), individuals 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. Of the 600 grants made, 80% were for £5,000 or less, going to 484 different organisations/individuals. As these very local projects are often volunteer led, modest grants can have a significant impact.

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 breath 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.

Each applicant is asked to identify the issues that their grant will be addressing. The applicant chooses a primary issue and can also choose other secondary issues. The chart below shows the breakdown of the issues that our grants have addressed in monetary values.



KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2020

Achievements and performance (continued)

The Kent Social Enterprise Loan Fund, formally known as Kent Big Society Fund, was established with £1m of initial funding from Kent County Council in March 2012 followed by a further two donations of £1m in 2013 & 14 respectively. This loan fund 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 Social Enterprise Loan Fund (KSELF) 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. The Fund was boosted with an additional £500,000 from Big Lottery Fund in October, 2017 which is when it was rebranded as the Kent Social Enterprise Loan Fund. In 2019-20 £425,000 of funding was agreed and the fund released £155,000 in loans and £50,400 in grants.

In March 2019 the Foundation made its first three-year commitment to 13 local organisations through its new multiyear core funding programme and these organisations have received six-monthly injections of finance since then. The next tranche of grants are expected to be awarded in 2020. This fund aims to respond to the needs of voluntary sector organisations by providing grants for their running costs, which are often hard to obtain.

At the end of the year the Foundation started an emergency fund to assist charities financially affected by the Coronavirus pandemic. An extremely successfully fundraising effort saw a fund of £1.7m established to help affected charities. The fund made its first grant on 23 March 2020. A £65k hardship fund was also set up to distribute grants to vulnerable families struggling through the crisis.

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

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Trustees' report (continued)
For the year ended 31 March 2020

Achievements and performance (continued)

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.

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 investment value dropped from £25,491,460 in December to £22,142,239 on 31st March. This was a direct result of the impact of COVID-19 on world markets.

Financial review

a. Going concern

While the impact of the COVID-19 pandemic has been assessed by the trustees so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charity's future activities. However, taking into consideration the charity's significant funds, the UK Government's response with its range of measures to support businesses and the charity's own reserves and planning, the trustees have reasonable expectation that the charity has adequate resources to continue 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.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2020

Financial review (continued)

b. Reserves policy

The aim of Kent Community Foundation is to benefit the local communities of Kent and Medway. An important way it does 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 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 fluctuations in investment performance.

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 free reserves at 31st March 2020 was £415,863 which was the equivalent of 9.1 months operating costs. The trustees considered this level of reserves 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 a number of charitable trusts, individuals and corporations; with High Hilden Ltd setting up a fund with £2,650,000 and Lawson Charitable Trust donating £785,000 during the period as part of the match funding endowment initiative.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2020

Financial review (continued)

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.

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. Methods of appointment or election of trustees

Trustees are appointed by the Board of Trustees in their capacities as members. Potential new trustees are identified by a process of needs analysis and intelligence gathering through a robust network of contacts and referrals.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2020

Structure, governance and management (continued)

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 and priorities, finances, staffing and 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 Director of Grants and Impact 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.

The pay of the Chief Executive and Director of Grants and Impact is reviewed annually by the Staffing and Remuneration Committee to ensure that the remuneration 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.

The board appointed Gail Hall as trustee and director in June 2019. As of March 2020 the board consisted of 10 trustees and directors including the Chairman.

Trustees' report (continued)
For the year ended 31 March 2020

Structure, governance and management (continued)

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 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.

The trustees have assessed the additional risks imposed by the Coronavirus pandemic; most significantly:

- Loss of income due to restricted ability to raise funds
- Fall in value of investments and subsequent loss of income
- Risk to capacity of staff team if staff members become ill
- Capacity of staff team to meet increased demand for grants
- Limitations of homeworking

In all these areas the board is satisfied it has identified appropriate mitigating actions and is regularly reviewing its risk strategy. The Foundation is still able to operate at its usual efficiency and there are no serious concerns regarding its financial future.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2020

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 core endowment funds in order to ensure the long term sustainability and financial health of the Foundation. This will allow the Foundation to 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 current three year 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 and signed on their behalf by:

Tim Bull
(Trustee)
Date:

KENT COMMUNITY FOUNDATION
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Statement of trustees' responsibilities
For the year ended 31 March 2020

The trustees (who are also the 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 its incoming resources and application of resources, including its income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

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 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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.

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.

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Independent auditor's report to the Members of Kent Community Foundation (continued)

Other information

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.

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 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.

Independent auditor's report to the Members of Kent Community Foundation (continued)

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.

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.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Independent auditor's report to the Members of Kent Community Foundation (continued)

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.

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
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2020

	Note	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies:	3					
Donations and grants	3	3,318,476	3,793,137	36,144	7,147,757	3,416,512
Operational contribution (internal cross-charging)	3	-	-	573,789	573,789	498,979
Fees from external funds	3	-	-	44,097	44,097	41,749
Investments	4	-	885,192	18,281	903,473	823,948
Total income and endowments		3,318,476	4,678,329	672,311	8,669,116	4,781,188
Expenditure on:						
Raising funds	5	-	-	121,632	121,632	109,388
Charitable activities		33,005	3,849,276	514,583	4,396,864	3,486,370
Total expenditure		33,005	3,849,276	636,215	4,518,496	3,595,758
Net (losses)/gains on investments		(2,019,177)	-	-	(2,019,177)	888,928
Net income		1,266,294	829,053	36,096	2,131,443	2,074,358
Transfers between funds	18	(172,886)	172,886	-	-	-
Net movement in funds		1,093,408	1,001,939	36,096	2,131,443	2,074,358
Reconciliation of funds:						
Total funds brought forward		20,567,767	3,284,226	379,767	24,231,760	22,157,402
Net movement in funds		1,093,408	1,001,939	36,096	2,131,443	2,074,358
Total funds carried forward		21,661,175	4,286,165	415,863	26,363,203	24,231,760

The notes on pages 21 to 41 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)
Registered number: 04088589

Balance sheet
As at 31 March 2020

		2020 £	As restated 2019 £
	Note		
Fixed assets			
Tangible assets	12	-	-
Investments	13	22,142,239	21,123,077
		<u>22,142,239</u>	<u>21,123,077</u>
Current assets			
Debtors due after more than 1 year	14	224,197	249,515
Debtors due within 1 year	14	141,323	120,585
Investments	15	1,350,395	1,350,000
Cash at bank and in hand		3,134,542	2,099,507
		<u>4,850,457</u>	<u>3,819,607</u>
Creditors: amounts falling due within one year	16	(629,493)	(710,924)
		<u>4,220,964</u>	<u>3,108,683</u>
Net current assets			
		<u>26,363,203</u>	<u>24,231,760</u>
Total assets less current liabilities			
		<u>26,363,203</u>	<u>24,231,760</u>
Total net assets		<u>26,363,203</u>	<u>24,231,760</u>
Charity funds			
Endowment funds	18	21,661,175	20,567,767
Restricted funds	18	4,286,165	3,284,226
Unrestricted funds	18	415,863	379,767
		<u>26,363,203</u>	<u>24,231,760</u>
Total funds		<u>26,363,203</u>	<u>24,231,760</u>

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

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

Tim Bull
 (Trustee)
 Date:

The notes on pages 21 to 41 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2020

	2020	<i>As restated</i>
	£	2019
		£
Cash flows from operating activities		
Net cash used in operating activities	3,244,148	374,496
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	903,473	823,948
Proceeds from sale of investments	205,891	559,658
Purchase of investments	(3,318,477)	(2,084,584)
	<hr/>	<hr/>
Net cash used in investing activities	(2,209,113)	(700,978)
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash provided by financing activities	-	-
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	1,035,035	(326,482)
Cash and cash equivalents at the beginning of the year	2,099,507	2,425,989
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	3,134,542	2,099,507
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 21 to 41 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 2020

1. General information

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The 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 (FRS102) 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.

A number of the fixed asset investments and bank accounts have been restated to reclassify the deposit and cash equivalents with a maturity of less than one year held for investment purposes, to current asset investments.

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

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

2.2 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.

2.3 Going concern

While the impact of the COVID-19 pandemic has been assessed by the trustees so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charity's future activities. However, taking into consideration the charity's significant funds, the UK Government's response with its range of measures to support businesses and the charity's own reserves and planning, the trustees have reasonable expectation that the charity has adequate resources to continue 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 2020

2. Accounting policies (continued)

2.4 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 charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company 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 endowment fund can be used in accordance with the objectives of the charity and included in 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.

2.5 Income

All income is recognised once the charitable company 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 the 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 match funding arrangements, such as the Colyer-Fergusson and Lawson programmes, the additional funding received at the time of the initial donation, unless any conditions are attached.

For donations received subject to match funding arrangements, such as the Lawson match programme, the additional funding received is recognised at the time of the initial donation, unless any conditions are attached.

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 2020

2. Accounting policies (continued)

2.6 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 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.

Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.7 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 costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33.3% straight line
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2.8 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 the 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 presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Current asset investments include cash or other short-term liquid investments with a short maturity of more than three months but less than one year, held for investment purposes.

A number of the fixed asset investments and bank accounts have been restated to reclassify the deposit and cash equivalents with a maturity of less than one year held for investment purposes, to current asset investments.

2.9 Operating leases

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

2.10 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.

2.11 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.

Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.12 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 charitable 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.

2.13 Financial instruments

The charity enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable 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.

2.14 Pensions

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

Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.15 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.

2.16 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 Fund 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.

2.17 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 12 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 2020

3. Income from donations and legacies

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations					
Donations and grants	3,318,476	3,793,137	36,144	7,147,757	3,416,512
Operational contribution (internal cross-charging)	-	-	573,789	573,789	498,979
Fees from external funds	-	-	44,097	44,097	41,749
Subtotal detailed disclosure	<u>3,318,476</u>	<u>3,793,137</u>	<u>654,030</u>	<u>7,765,643</u>	<u>3,957,240</u>
	<u>3,318,476</u>	<u>3,793,137</u>	<u>654,030</u>	<u>7,765,643</u>	<u>3,957,240</u>
<i>Total 2019</i>	<u><u>1,484,518</u></u>	<u><u>1,843,542</u></u>	<u><u>629,180</u></u>	<u><u>3,957,240</u></u>	

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 fluctuations from year to year.

4. Investment income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income	873,541	18,281	891,822	806,632
KSELF Income	11,651	-	11,651	17,316
	<u>885,192</u>	<u>18,281</u>	<u>903,473</u>	<u>823,948</u>
<i>Total 2019</i>	<u><u>811,766</u></u>	<u><u>12,182</u></u>	<u><u>823,948</u></u>	

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds As restated 2019 £</i>
Other staff costs	81	81	53
Rent & rates	7,484	7,484	5,771
Marketing & advertising	7,314	7,314	3,739
Sundries	659	659	623
Office costs	3,484	3,484	2,501
IT support	4,182	4,182	3,958
Insurance	205	205	249
Bank charges	174	174	53
Subscriptions	3,894	3,894	3,439
Book keeping	3,526	3,526	3,062
Legal & professional	391	391	63
Travel	1,040	1,040	1,306
Panel expenses	40	40	1,909
Wages and salaries	76,421	76,421	69,526
Employer's NI	7,381	7,381	6,838
Pensions	5,356	5,356	6,298
	<u>121,632</u>	<u>121,632</u>	<u>109,388</u>
<i>Total 2019</i>	<u>109,388</u>	<u>109,388</u>	

A number of the costs of raising voluntary income have been restated to show further detail of the types of costs.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

6. Analysis of grants

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Community First Grant-making	190,450	-	190,450	205,122
Grants	3,054,072	37,118	3,091,190	2,203,293
	<u>3,244,522</u>	<u>37,118</u>	<u>3,281,640</u>	<u>2,408,415</u>
<i>Total 2019</i>	<u>2,336,666</u>	<u>71,749</u>	<u>2,408,415</u>	

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 2020

7. Costs of charitable activities

	2020	<i>As restated</i>
	£	2019
		£
Grants payable (see Note 6)	3,281,640	2,408,415
Operational contribution	512,800	452,415
KSELF operational contribution	87,841	86,118
Other staff costs	323	215
Rent & rates	29,938	23,083
Marketing & advertising	29,254	14,954
Sundries	2,636	2,494
Office costs	13,931	10,004
IT support	16,729	15,833
Insurance	819	996
Bank charges	696	213
Subscriptions	15,576	13,755
Book keeping	14,104	12,250
Travel	4,158	5,226
Panel expenses	162	7,634
Events	6,950	36,679
Legal & professional	1,836	670
Salaries and pensions	363,135	353,435
Staff training	3,836	1,086
Depreciation	-	362
Loan impairment	-	30,333
Audit fees	10,500	10,200
	4,396,864	3,486,370

A number of the costs of charitable activities have been restated to show further detail of the types of costs.

8. Charitable expenditure summary by fund type

	2020	2019
	£	£
Endowment funds	33,005	28,684
Restricted funds	3,849,276	2,948,597
Unrestricted funds	514,583	509,089
	4,396,864	3,486,370

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2020

9. Auditor's remuneration

	2020 £	2019 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	10,500	10,200

10. Staff costs

	2020 £	2019 £
Wages and salaries	380,560	372,337
Social security costs	34,552	33,515
Pension costs	29,983	30,245
	445,095	436,097

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

	2020 No.	2019 No.
Employees	14	13

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £70,001 - £80,000	1	1

The total salaries received by key management personnel was £119,770 (2019: £118,417). Employer pension contributions were a total of £10,468 (2019: £10,167) and employer national insurance contributions were a total of £14,147 (2019: £14,018).

11. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no trustee expenses have been incurred (2019 - £NIL).

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

12. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2019	11,363
At 31 March 2020	<u>11,363</u>
Depreciation	
At 1 April 2019	11,363
At 31 March 2020	<u>11,363</u>
Net book value	
At 31 March 2020	<u>-</u>
<i>At 31 March 2019</i>	<u>-</u>

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2019 (as restated)	21,123,077
Additions	3,318,477
Disposals	(205,891)
Revaluations	(2,093,424)
At 31 March 2020	<u>22,142,239</u>
Net book value	
At 31 March 2020	<u>22,142,239</u>
<i>At 31 March 2019</i>	<u>21,123,077</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

13. Fixed asset investments (continued)

The total decrease of revaluations of £2,093,424 disclosed above includes £2,019,176 attributable to the charity and £74,248 attributable to client money held.

Investments at market value comprise of listed investments at £22,142,239 (2019 as restated: £21,123,077).

14. Debtors

	2020 £	2019 £
Due after more than one year		
Loans	224,197	249,515
	224,197	249,515
Due within one year		
Loans	115,956	118,510
Other debtors	25,367	2,075
	365,520	370,100

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

15. Current asset investments

	2020 £	2019 (as restated) £
Unlisted investments	1,350,395	1,350,000

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	5,710	5,896
Other taxation and social security	6,718	10,921
Client money held	547,065	624,107
Other creditors	70,000	70,000
	629,493	710,924

The Kent Community Fund Foundation holds funds of £547,065 (2019: £624,107) in respect of the Spires Academy.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

17. Financial instruments

	2020	<i>As restated</i>
	£	2019
		£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>22,142,239</u>	<u>21,123,077</u>

Financial assets measured at fair value comprise of listed investments.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2020

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds						
General Funds - all funds	379,767	672,311	(636,215)	-	-	415,863
Endowment funds						
Grassroots Funds Endowment Funds	5,550,828	-	(9,937)	-	(740,582)	4,800,309
Other Endowment Funds	7,760,342	3,307,193	(23,068)	(60,404)	(1,055,990)	9,928,073
Community First Endowment Funds for Kent	7,256,597	11,283	-	(112,482)	(222,605)	6,932,793
	<u>20,567,767</u>	<u>3,318,476</u>	<u>(33,005)</u>	<u>(172,886)</u>	<u>(2,019,177)</u>	<u>21,661,175</u>
Restricted funds						
Donor Advised Funds - Individuals and Trusts	774,539	2,621,913	(2,352,481)	(64,414)	-	979,557
Donor Advised Funds - Corporate	455,150	859,933	(763,913)	(44,908)	-	506,262
Miscellaneous Funds	162,739	1,019,187	(487,931)	282,208	-	976,203
Community Cash Fund	677	-	-	-	-	677
Kent Social Enterprise Loan Fund	1,735,230	11,650	(98,823)	(116,250)	-	1,531,807
Big Lottery Fund	155,891	71,418	(51,900)	116,250	-	291,659
Tampon Tax Community Fund	-	94,228	(94,228)	-	-	-
	<u>3,284,226</u>	<u>4,678,329</u>	<u>(3,849,276)</u>	<u>172,886</u>	<u>-</u>	<u>4,286,165</u>

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18. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Total of funds	24,231,760	8,669,116	(4,518,496)	-	(2,019,177)	26,363,203

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. During the year there was a reclassification of funds within the Endowment group.

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 KSELF is to support existing and emerging social enterprises.

The object of the Tampon Tax Community Fund is to support women and girls to build skills and confidence, improve their health and wellbeing and build social networks

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Notes to the financial statements
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18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds						
General Funds - all funds	356,882	641,362	(618,477)	-	-	379,767
Endowment funds						
Grassroots Funds Endowment Funds	5,496,661	-	(9,966)	-	64,133	5,550,828
Other Endowment Funds	6,049,790	1,477,167	(18,718)	(36,145)	288,248	7,760,342
Community First Endowment Funds for Kent	6,802,362	7,351	-	(89,663)	536,547	7,256,597
	<u>18,348,813</u>	<u>1,484,518</u>	<u>(28,684)</u>	<u>(125,808)</u>	<u>888,928</u>	<u>20,567,767</u>
Restricted funds						
Donor Advised Funds - Individuals and Trusts	837,114	1,420,628	(1,418,418)	(64,785)	-	774,539
Donor Advised Funds - Corporate	538,955	698,824	(787,751)	5,122	-	455,150
Miscellaneous Funds	67,887	280,321	(370,940)	185,471	-	162,739
Comic Relief	28,627	-	(28,627)	-	-	-
Community Cash Fund	1,427	-	(750)	-	-	677
Kent Social Enterprise Loan Fund	1,931,397	17,316	(117,633)	(95,850)	-	1,735,230
Youth Social Action Fund	46,300	22,000	(68,300)	-	-	-
Big Lottery Fund	-	126,541	(66,500)	95,850	-	155,891

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18. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
Tampon Tax Community Fund	-	89,678	(89,678)	-	-	-
	<u>3,451,707</u>	<u>2,655,308</u>	<u>(2,948,597)</u>	<u>125,808</u>	<u>-</u>	<u>3,284,226</u>
Total of funds	<u><u>22,157,402</u></u>	<u><u>4,781,188</u></u>	<u><u>(3,595,758)</u></u>	<u><u>-</u></u>	<u><u>888,928</u></u>	<u><u>24,231,760</u></u>

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	379,767	672,311	(636,215)	-	-	415,863
Endowment funds	20,567,767	3,318,476	(33,005)	(172,886)	(2,019,177)	21,661,175
Restricted funds	3,284,226	4,678,329	(3,849,276)	172,886	-	4,286,165
	<u>24,231,760</u>	<u>8,669,116</u>	<u>(4,518,496)</u>	<u>-</u>	<u>(2,019,177)</u>	<u>26,363,203</u>

Summary of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
General funds	356,882	641,362	(618,477)	-	-	379,767
Endowment funds	18,348,813	1,484,518	(28,684)	(125,808)	888,928	20,567,767
Restricted funds	3,451,707	2,655,308	(2,948,597)	125,808	-	3,284,226
	<u>22,157,402</u>	<u>4,781,188</u>	<u>(3,595,758)</u>	<u>-</u>	<u>888,928</u>	<u>24,231,760</u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	21,661,175	1,397,067	(916,003)	22,142,239
Debtors due after more than one year	-	224,197	-	224,197
Current assets	-	3,211,966	1,414,294	4,626,260
Creditors due within one year	-	(547,065)	(82,428)	(629,493)
Total	21,661,175	4,286,165	415,863	26,363,203

Analysis of net assets between funds - prior period

	<i>Endowment funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Fixed asset investments	19,198,969	1,924,108	-	21,123,077
Debtors due after more than one year	-	249,515	-	249,515
Current assets	1,368,798	1,734,710	466,584	3,570,092
Creditors due within one year	-	(624,107)	(86,817)	(710,924)
Total	20,567,767	3,284,226	379,767	24,231,760

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	2,131,443	2,074,358
Adjustments for:		
Depreciation charges	-	362
Gains/(losses) on investments	2,093,424	(895,301)
Dividends, interests and rents from investments	(903,873)	(823,948)
Decrease in debtors	4,580	9,229
Increase/(decrease) in creditors	(81,435)	9,796
Net cash provided by operating activities	3,244,139	374,496

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22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	3,134,542	2,099,507
Total cash and cash equivalents	3,134,542	2,099,507

23. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	2,099,507	1,035,035	3,134,542
Liquid investments	1,350,000	395	1,350,395
	3,449,507	1,035,430	4,484,937

24. Operating lease commitments

At 31 March 2020 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	29,150	24,090
Later than 1 year and not later than 5 years	66,250	-
	95,400	24,090

25. 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 on or more trustees who are also trustees of the Foundation or who are related to a trustee of the Foundation.

During the year the trustees donated £180,000 (2019: £23,000) to the charity.

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

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26. Post balance sheet events

The investment value changed from £22,142,239 in March 2020 to £24,655,401 on 30 June 2020. This represented a recovery of the markets following the earlier impact of COVID-19. The future impact of the virus on the world markets is uncertain and therefore the financial statements have not been adjusted for any post balance sheet event.

27. Controlling party

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