

# Changing Lives Together

Trustees' Annual Report and Accounts  
2019/20



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# Welcome

A year that started as a celebration of 20 years of connecting generous donors and community groups in Wales ended with the most dramatic example of how important the role of Community Foundation Wales is in helping communities with the advent of the Coronavirus.

As chair, I have been proud to see the coming together of our donors and supporters and the hundreds of community groups across Wales, and the launch of the Wales Coronavirus Resilience Fund to help communities and charities in these difficult times.

I would like to thank my fellow trustees for their continued support and hard work during the year. Our trustees take an active role in meeting with donors and potential philanthropists, and we continue to visit all parts of Wales, seeing local projects and holding open sessions with the public to better understand local opportunities and challenges.

A special thanks must go to Richard Williams and his team at Community Foundation Wales for their efforts, and especially for their work in the more recent challenging times. The speed at which they created and began to make grants from the Wales Coronavirus Resilience Fund is testament to their devotion to helping communities through Wales.

Looking back over the year, my personal highlights include the 20th birthday celebrations held in St Asaph and Cardiff, where we heard powerful stories about how our support change lives. I was delighted to see the launch of Friends of Community Foundation Wales which brings together our supporters and provides a stronger network to create good in communities across Wales.

In these uncertain times, it has never been more important for Wales to have the support of a strong community foundation. At the time of reporting our endowment funds were impacted by Covid, standing at £15.4m, but we are pleased to see they have recovered strongly and currently stand at £17.67m. This includes a new endowment fund, TJ Jones Memorial Fund.

We continue to focus our support on local community groups in Wales, often overlooked and underfunded but, as Coronavirus has sadly highlighted, increasingly important in all of our lives. Never has it been more important for people to come together and support the most vulnerable. Community Foundation Wales was built for that purpose and today that mission feels more relevant than ever before.

We have further developed our partnership working in Wales and across the UK. We continue to be active members of UK Community Foundation, as well as working alongside funders who are looking to develop their impact in Wales. This year we have been working to increase UK trust and foundation investment into Wales, through an alliance with a wide group of partners. This has the potential to provide significant new resources for the sector in Wales.

We were also pleased to complete a review of our investment strategy and to appoint Brewin Dolphin, based in Cardiff, as part of our investment management team, alongside CCLA. We are very pleased to be able to work with Welsh partners to grow our endowment funds for Welsh communities.

It gives me great pleasure to share our story for 2019/20 and to present our Annual Review and Accounts. We know that, sadly, the year ahead will be an incredibly challenging time for people and communities across Wales but we will be there alongside to provide resource and support and continue changing lives together.

Diolch yn fawr

*Alun Evans*

Chair, Community Foundation Wales



2019/20

# How we make a difference

In 2019/20 we distributed grants of **£2.95m** to **over 565** projects across Wales.  
Below shows how these grants were distributed to support people across Wales:

**47%**

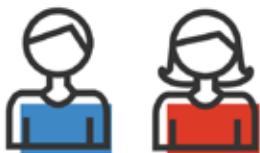


Improving physical and  
mental health

**35%**



Community cohesion  
and confidence



**11%**

Enabling youth  
and education



**5%**

Nurturing heritage  
and culture



**2%**

Protecting our  
environment

# How we work

## Values

Our staff and trustees review our values to ensure they are relevant and aligned with our purpose. These values underpin everything that we do:

- We are good partners
- We care about the people we work with
- We make a difference

## Ethical

We work to an Ethical Policy and also an Ethical Investment Policy which states that our investment portfolio should have no direct exposure to companies which have significant holdings in tobacco, arms, gambling and pornography investments.

We are a Living Wage employer and a Living Wage Funder.

## Your data

We protect the information you give us. We work within GDPR regulations and our Privacy Notice sets out how Community Foundation Wales uses and protects information that you give us. This is published on our website at <https://communityfoundationwales.org.uk/privacy-policy/>

## Your donations

We are serious about high standards and promote good fundraising practice. We are registered with the Fundraising Regulator and work to the Code of Fundraising Practice.

## Reporting complaints

If you would like to raise a complaint we can assure you that your concerns will be taken seriously and addressed and responded to as quickly as possible.

## Quality

We are accredited through UK Community Foundations and Investors in People.

# What we did in 2019

In 2019 we worked to improve the way we meet the needs of donors and beneficiaries.

The team carried out an in-depth listening exercise with charities and not-for-profit organisations across Wales on how best we could support their work.

As well as our annual feedback from donors, we also held two events, with opportunities to share experiences and views. Findings have been fed into a new five year strategy, launched in 2020/21.

Towards the close of the year we secured the transfer of a £2.1m endowment fund which will see us take a considerable step towards our £30m target.

However, in line with all markets, the Coronavirus pandemic impacted on our endowment funds. At the time of audit, the value of our endowment had reduced to £15.4m and net assets to £16.7m.

## We focused on three priority areas last year:

### Supporting our team to grow

- **Invest in Learning and Development**  
All team members have a learning and development plan and, during the year, team members took part in learning programmes provided by UK Community Foundations, Academi Wales and Chwarae Teg.
- **Embody our values and promote them throughout our work**  
Our values are now embedded into our recruitment processes and our day-to-day work.
- **Identify and solve process problems to make our jobs easier**  
We have identified some technical processes that need upgrading and have designed solutions, to be implemented in 2020/21, alongside the introduction of a new database system. We developed a clearer way of supporting our donors, with a staged pathway that ensures more clarity and appropriate information.
- **Focus on making the best use of staff capacity and improving services**  
A new post, Director of Programmes (Deputy Chief Executive), was created to support the future growth of the Foundation and specifically to oversee a new project to increase trust and foundation investment into Wales.
- **Provide a great workplace**  
Refurbishment of the office was completed on time and to target. We now have better working areas and larger meeting space, which can also be used by partner organisations. The team created and implemented a well-being plan including regular mindfulness sessions, subsidised gym membership and monthly health awareness sessions. An Employee Assistance Programme is now available to the whole team.





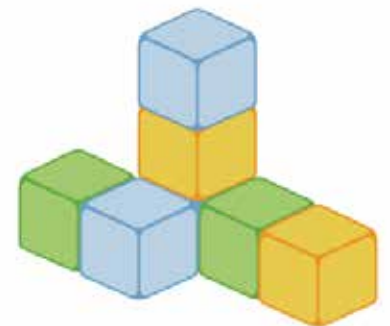
## Sharing our story and connecting

- **Use our new brand and messaging to reach new audiences**  
Our social media audiences continued to grow. We now have 8,051 Twitter followers and 944 followers on Facebook.
- **Celebrate our 20th anniversary and use this as an opportunity to build trust and connect with our audiences**  
We held celebration events in North and South Wales to celebrate our achievements and to outline future challenges.
- **Focus on storytelling, showing our impact on people and communities**  
We now have the ability to create and share video stories and started to produce video case studies showing our impact through groups that we fund. We will continue to develop this.
- **Strengthen our networks so that our supporters can play a stronger role**  
We launched Friends of Community Foundation Wales with events in North and South Wales. Our Friends are now helping to build awareness and are actively contributing to our work to strengthen Welsh communities.
- **Gain a better understanding of our social media audiences**  
A media reporting dashboard has been developed to provide insights into our communications and to identify which channels are most effective in supporting our work.



## Building a stronger foundation

- **Reach new audiences by building our network of professional advisors**  
Our network of professional advisors grew with new connections established at St James Place, Hugh James, DJM Law and Swayne Johnson. This included participation in events including All-Wales Charity Governance, Law & Finance Conference and the Niche IFA Joining the Dots for your Charity conference.
- **Develop relationships with our existing donors and funders**  
We continue to work closely with key partners such as Welsh Government, funders in Wales and the UK, WCVA and CVCs and of course with our supporters and donors. We agreed new partnerships including Pears Foundation, Dulverton Trust and National Emergencies Trust. At our 20th birthday celebrations we launched the Friends of Community Foundation Wales membership scheme, with the objective of building a group of individuals and businesses who want to demonstrate their support for Wales.
- **Support more trust transfers and attract more investment from trusts and foundations into Wales**  
We completed the £2m transfer of the TJ Jones Memorial Fund, which supports young people into engineering careers, along with the transfer of Elizabeth Gunter's Charity. We continue to work closely with the Charity Commission to support trustees of charities that are inactive to revitalize their funds and to deliver the same original charitable purpose.
- **Improve our understanding of what our audiences want from us**  
An in-depth listening exercise took place with more than 100 charities and not-for-profit organisations across Wales telling us how best we could support their work. As well as our annual feedback from donors, we also held two events with opportunities to share experiences and views.
- **Implement the findings of our investment review**  
A review was carried out and trustees agreed to move from three investment managers to two, appointing Brewin Dolphin to work alongside CCLA. We are delighted to work with Brewin Dolphin as it means our assets are managed by a Wales-based team.



# Responding to Coronavirus

Towards the end of the year, Community Foundation Wales found itself needing to respond to the devastating impact of the Coronavirus.

The team switched to remote working and were able to provide uninterrupted support to the third sector in Wales.

In response to the impact of the Coronavirus, we launched the Wales Coronavirus Resilience Fund to provide vital funding to charities, community groups and not for profit organisations which were adapting the way they work to respond to the rapidly changing needs in their communities due to the Coronavirus crisis. We launched the appeal with £200,000 and within three and a half weeks we had hit the £1m mark.

To ensure the funding really goes to where it's needed, we consulted with the Welsh third sector to assess their immediate and ongoing needs.

To ensure the best possible support for people in Wales, we also partnered with the National Emergencies Trust (NET) to distribute funding from their UK wide appeal across Wales.





# Responding to Coronavirus



The Coronavirus pandemic presented Community Foundation Wales with a number of major challenges such as a serious risk to plans to secure immediate impact funds for 2020/21, uncertainty on investment returns and a quick switch to remote working.

As an endowed foundation, Community Foundation Wales' future is sustainable.

Community Foundation Wales operates on a deficit budget, with in-year funds secured helping to meet expenditure. These Immediate impact funds generated through the year enable a scaling up of activity and increased grant-making support.

Community Foundation Wales set up the Wales Coronavirus Resilience Fund appeal in late March to draw together funds, working together with a number of partners including the National Emergencies Trust, Welsh Government, private sector and individual supporters.

In response to the outbreak, trustees acted quickly to set up a Finance Working Group, which met on a weekly basis to overview the charity's financial position.

The working group considered overall financial performance and any need for reducing expenditure. Furloughing was considered inappropriate given the urgent demand for grant-making and the need to maintain our capacity. More team resources were redeployed to support grant-making. Once the charity's financial position was secured for the year ahead in April 2020, the working group was stood down with reporting reverting to the quarterly Finance Risk and Investment Committee.

Looking forward, building up reserves is increasingly important to secure Community Foundation Wales through any prolonged disruption into the next year. We are conscious that we are likely to need to adopt new practices in the future, with continuation of increased communication by digital channels, supported by remote working.

## **Covid-19 and risk management**

Trustees at Community Foundation Wales oversee quarterly reporting through their Risk Register, which includes mitigation plans for reduced investment returns, reduction of new fund development and issues that affect our operations. In addition to this, our trustees maintained focus on any additional risks through the weekly Finance Working Group and through the Grants Panel which met often twice a week through lockdown.

## **Covid-19 and our investments**

At the end of December, the investments were worth over £16.2m and were rising steadily. Due to the pandemic, by the end of March, they had fallen by £2.67m to £13.57m. The value of the investments have now begun to recover strongly.

## **Covid-19 and impact on future planning**

While we expect to deliver our Business Plan for 2020/21, we will clearly be working in very different ways and some of our planned timings may need to be adjusted.

This is due to:

- The focus needed on delivering grant-making at the scale we saw in Q1 of 2020
- The need to adapt how we work with new donors
- Uncertainty on where staff will be based and any restrictions in place
- Due to social distancing there is likely to be a prolonged period where staff will continue to work from home

# Our impact

## Making refugees and asylum seekers feel at home

Space4U, a small volunteer-run charity operating a drop-in centre for refugees and asylum seekers in Cardiff, received £1,500 towards their Easing Destitution Project

This project helps refugees and asylum seekers to attend essential legal and medical appointments by providing assistance with transportation and other important living costs.

The money received from the Wesleyan Foundation enabled Space4U to help service users with things like mobile phone top ups, bedding and refreshments for long journeys. It also helped them to buy seven refurbished and roadworthy bikes through Cycle Training Wales. Making bikes available to the refugees and asylum seekers has helped them get to know the city and also made them feel a part of their local community.



**"Because I have use of a bike, I go to different places in Cardiff easily, help friends and keep healthy in the open air."**



**"One of our members has some mental and physical disabilities brought on by serious physical abuse when he was a baby. In his words "I love it here and never want to leave.""**

## Building confidence through film-making

Cymru Creations runs an inclusive film and training club for young people in Blaenau Gwent, focusing on improving core literacy, numeracy and IT skills whilst making films.

With a grant of £4,200 from the Gwent High Sheriff's Community Fund they have been able to run three extra Film Academy sessions each week and employ additional tutors to run specialist acting and filming classes.

One young girl attending the sessions has a noticeable stammer. She wants to act but often gets upset in case people think she is messing up the films. With support from her team and the tutors she has grown in confidence in her acting, showing excellent improvement with voice control.

# Our impact

## Providing a stage for young people

Denbigh Workshop, a community arts charity, uses theatre to build confidence and develop young people.

With a grant of £8,500 from the Children and Young People's Fund they ran a free five day summer school for disadvantaged young people living in Denbigh and surrounding areas.

Children from all backgrounds attended the summer school, many without any performance experience. They attended creative workshops in areas such as acting, poetry, writing and singing with the week culminating in a free performance for family and friends

Many children started the week feeling unsure about their ability to perform at the end of the week but as the summer school progressed the children grew in confidence and all of them took part in the show.



**"Just can't believe what my children have achieved! They have overcome barriers and shown that doing something outside their comfort zone can aid their resilience and self-confidence."**



**"We are a really small, grass roots charity so the ability to find funding that cannot only help in a crisis but then continue to be a resource for the community afterwards is massive. People feel like they are being heard."**

## Adapting to meet community needs

Dal Dy Dir, based in Mid Wales, provides a range of support for individuals and families with disabilities or those who are marginalised in their own communities.

Due to the Coronavirus crisis, some group members were struggling to obtain supplies, access support networks and gain respite. A number were at extremely high-risk due to their health conditions and urgently need support.

Dal Dy Dir used funding from the Wales Coronavirus Resilience Fund to adapt their project. They started to provide emergency respite sessions for those in the most severe situations, offered a 24-hour emergency helpline and created social media groups which proved a vital resource for people who usually came together on the farm.



# Our impact

## Helping me to develop in the sport I love

A budding badminton player, Jessica used her grant to help fund a trip to Badminton Ireland in Dublin for a week long Technic Training Course.

"This grant has given me the opportunity to gain valuable experience as well as giving me the chance to meet new people and also the players I aspire to be like.

Along the way I have made some really good friends and I feel that I have also been able to improve my game by learning new techniques.

Without it, I doubt I would have been able to fund this trip so I am most grateful to Community Foundation Wales for helping me to develop further in the sport I love."



Jessica was awarded a grant of £200 to attend a badminton camp to help improve her technical ability and fitness.



"Mindfulness allowed me not to think negatively about everyone. I used to think and feel that every man was like my perpetrator, but those feelings were controlling me from my past, not my present."

## Using yoga and mindfulness to combat trauma

The Panacea Foundation Project was awarded £6,200 to use trauma informed mindfulness and yoga to provide holistic therapy for women who have experienced childhood sexual abuse.

Many of the women in attendance admitted that, before attending the classes, they had disconnected not only with themselves but also from others.

Following the 10 week course, each woman showed overall improvement in life satisfaction and feeling worthy.

Through the connections made in these sessions, they forged positive relationships and developed their own 'sisterhood'; doing activities together and meeting outside of the sessions.

# Our impact

## Supporting students to achieve their potential

Melissa, a mature student from Pembrokeshire, made the life-changing decision to move to Cardiff with her daughter to return to education.

"This year has been a whirlwind designing sets, costume and puppets and making a life-size marble effect statue! It's been exciting, challenging and sometimes exhausting but I've loved it all.

I am very excited about the next few years as I'm really looking forward to starting new projects.

I am currently supporting my daughter while I'm at university and it's so helpful to have some money reserved for helping my studies. I don't know which area of design I want to go into yet, but I just have a feeling that I'm going to do something amazing one day."



Melissa was awarded the Ashley Family Foundation Scholarship in Costume at the Royal Welsh College of Music & Drama.

The grants in these stories were awarded through the following funds:

- Wesleyan
- Gwent High Sheriff Community Fund
- Children & Young People's Fund
- South Wales Police and Crime Commissioner's Victims Fund
- Flintshire Funds
- Ashley Family Foundation
- Wales Coronavirus Resilience Fund



# Our plan for 2020

## 01 A sustainable growth strategy



Adopt and deliver a growth strategy that supports our sustainability and helps us to reach our £30m endowment target.

We will:

- deliver an end of year balanced budget
- agree a step by step development plan for reaching £30m target in five years
- deliver Trust and Foundation project income target of £2m by Dec 2021
- further develop our ability to support charities and trustees with Trust Transfers
- market and grow Agency Funds to support charities in Wales to protect and invest their charitable funds
- grow individual giving and further build on our referral networks in Wales
- grow our Friends of Community Foundation Wales

## 02 Listen to the needs of our grantees

We will deliver funding and support that meets the needs of groups and people.

We will:

- direct our funding to ensure core funding is available to grantees
- direct as much funding as possible to longer term support of grantees
- implement a new CRM system and grantmaking process
- support applicants beyond funding
- support organisations in Wales to work with UK trust and foundations
- better understand our impact
- regularly review our funds to ensure they are fit for purpose and current
- improve our internal grants and finance processes and increases efficiency



## 03

This is a real strength and we will continue to build on this, investing in that strength and ensuring that the foundation develops into an even better workplace.

We will:

- invest in developing our team
- deliver our values across everything we do
- create a strong and healthy working culture
- work to ensure best practice, including retaining our quality assurance kitemark



# Our Trustees

The Trustees of Community Foundation Wales have been recruited from across Wales. They have a variety of backgrounds and expertise and are ultimately responsible for the affairs of the charity.

Community Foundation Wales has a main board which is supported by four committees (Finance, Risk and Investment, Forward Planning and Development, Governance and Grants), along with any task and finish groups which may be established. The Governance Committee was established in 2019 to enable stronger focus on governance matters, including reviews and updates of policies.

The committees and full board meet on a quarterly basis. The rate of attendance at our board meetings was 86% (up from 85% last year) and the attendance at our committee meetings was 81% (down from 86% last year).

## Key responsibilities of the Board:

1. to approve a three year rolling Strategic Plan, to keep it under regular review and to amend it as appropriate
2. to approve the annual Business Plan
3. to monitor quarterly performance against the Business Plan
4. to approve the annual budget and monitor quarterly financial performance against the budget
5. to approve the investment strategy and keep under regular review
6. to approve the audited accounts annually
7. to approve and regularly review policies, a mission/vision statement, a statement of values and a quality framework
8. to monitor compliance with the policies, the mission/vision statement, the statement of values and the quality framework
9. to monitor external relations, public relations, public image, relations with the media and Community Foundation Wales' website
10. to recruit suitable new trustees
11. to approve a policy for the induction, on-going training and retention of trustees
12. to appoint or elect officers of the Board
13. to identify major risks, and to put in place arrangements for mitigating their effect
14. to monitor communications between the Board, the Chief Executive and the staff of Community Foundation Wales
15. to recruit, appoint and, if necessary, dismiss the Chief Executive
16. to agree the Chief Executive's remuneration
17. to ensure the maintenance and integrity of the corporate and financial information included on the company's website.

Alun Evans is Chair of Community Foundation Wales. He became a trustee in January 2013 and Chairman in July 2016. Alun also chairs the Governance Committee.



"One of my personal highlights for the year must be the St David's Day Dinner. This year's event was hosted by Huw Edwards and Community Foundation Wales was again the chosen charity for the evening.

Three things will remain with me forever. The singing of Only Boys Aloud, conducted by Tim Rhys-Evans, was incredible and illustrated the artistic talent of the youth in Wales; the bilingual speech by Mererid Hopwood, which is one of the cleverest speeches I have ever heard, quite incredible; and the presentation of the Wales in London Philanthropic Award to Ffian Jones, who is undertaking a Masters Degree in menswear design at the Royal College of Art, again illustrating the talent of young people in Wales.

Just a marvellous evening which made you proud to be Welsh!"

Nigel Annett is Vice-Chair and Chair of the Forward Planning and Development Committee and also sits on the Governance Committee. He became a trustee in 2015.



"I have been a trustee for coming up to six years, and each year my highlights are always our visits to projects - right across Wales - where our grant-making has made and is making a real difference. To witness and see first-hand the contribution by so many people in so many different ways, work that helps sustain our communities that the Community Foundation is able to support - well, for me it is a privilege and an inspiration, humbling and, being honest, sometimes upsetting and frustrating too.

But my highlight for the past year is different. It is the way in which the entire team at Community Foundation Wales has handled and embraced a lot of change in a way that has made us a stronger, more capable and even more committed enterprise.

We said a happy goodbye to a couple of colleagues who had been with us for a long time - and they join our growing alumnus and remain on call to support and cheer the work of Community Foundation Wales. But what has really impressed is the way in which all our new team members and trustees have brought something extra, something special to what Community Foundation Wales is all about.

Everyone in the team and on the board of trustees "gets it". We have a strong culture where good work and good outcomes is acknowledged and where constructive challenge is accepted and encouraged; we all want Community Foundation Wales to do more, and do more better. I am really proud to be a trustee of Community Foundation Wales and to support the work of the wonderful team we have."

Gerry Jewson became a trustee in 2016. He sits on the Finance, Risk and Investment Committee and Forward Planning and Development Committee.



"I guess my personal highlight is probably Fiona Bowen at the St Asaph anniversary celebrations explaining how support through Community Foundation Wales had enabled her to continue in her law studies and how she in turn is helping victims of the Grenfell Tower disaster at the public inquiry.

It struck me how a relatively small amount of support, given to someone with so much drive and talent, can make a difference to so many people's lives."

Kathryn Morris is Treasurer and Chair of the Finance, Risk and Investment Committee. She became a trustee in 2013. She also sits on the Governance Committee.



"As trustees, we visit different parts of Wales to see projects that we have supported.

This year, we visited Carmarthen Youth Project which made me reflect on the fact that, although Carmarthen is a town that is familiar to me, I had been oblivious to the need for such a project. As with all the projects we fund, here again, were enthusiastic and dedicated individuals who had identified the need. They are filling a gap for the youngsters of Carmarthen and being resourceful in raising awareness, rallying local support and seeking finance for the project.

Our grants team is diligent in assessing the bids for our funds and continue to monitor and support projects throughout the funding process. I am always impressed with how much is achieved by the people who run such projects. With relatively small amounts of grant money, they pursue every avenue to fulfil a very real need for their local community.

I realise that we can often be blind to the needs of communities that are familiar to us. It takes special individuals to identify those needs and to react accordingly."

Tanwen Grover became a trustee in 2016. Tanwen is the Chair of the Grants Committee and sits on the Governance Committee.



"The highlight of the year for me has been the opportunity to sit on grants panels, awarding grants to community groups and charities across Wales.

We, as Trustees, are responsible for the overall strategic direction of Community Foundation Wales but it's also a privilege to play a more practical role in helping communities. I find it heartening to see the projects, events, support programmes and volunteers working so hard within our communities. Sitting on grant panels also provides an opportunity for me to work more closely with our excellent grants team, getting to see a little of their own hard work and skills.

This year, I particularly enjoyed helping to award grants from the Tampon Tax Community Fund, which supports those trying to improve the lives of disadvantaged women and girls. I was astounded by the dedication shown by the charities and groups we funded, who showed such a brilliant understanding of both the strengths and barriers facing the women and girls they support."

Andrew Tuggey CBE DL became a trustee in 2018. Andrew sits on Forward Planning and Development Committee and Grants Committee.



"My first introduction to CFW was in 2014, ahead of becoming High Sheriff of Gwent. Each year, through CFW, Gwent High Sheriffs' Community Fund (GHSCF), disburses some £75k to a myriad of small community projects across the five local authorities in Gwent that focus on young people helping others in their communities.

The application process, due diligence and organisation of the unique and very uplifting 'Your Voice, Your Choice' awards are undertaken by the dedicated CFW team. The 2019/2020 GHSCF Awards event held in the Llanhilleth Miners' Institute on Saturday 29 February 2020 was a highlight for me as it exemplified all that is so good about CFW; comparatively small grants being made direct to projects supporting Welsh communities in need.

I sit on CFW's Grant Committee that approves similar direct support for community projects throughout all of Wales. As a CFW trustee, I see the very positive impact for our communities, facilitated by the sheer hard work of the tremendous CFW team."



Sarah Jennings became a trustee in 2018. Sarah sits on the Forward Planning and Development Committee and Governance Committee.



“One of the highlights for me was being able to be part of the 30th anniversary celebrations for Farms for City Kids, a wonderful charity founded by Michael Morpugo and his wife. The charity takes children from deprived urban communities and gives them a week’s residential on a working farm to experience life on a farm, learn about where our food comes from and have outdoor adventures together. CFW fund many children to have the chance to experience this life-changing opportunity.

Visiting the Pembrokeshire farm, seeing the children’s obvious love of the experience, their amazement as they met Princess Anne and then had a reading from Michael Morpugo from one of his books - it made me realise how a small amount of money can be used to provide a life-changing experience for a child and give them confidence, hope, fresh curiosity and a feeling that they are valued and special. I wish every child could experience this.”

Emma Beynon became a trustee in 2019. Emma sits on the Grants Committee.



“This is my first year as a trustee of Community Foundation Wales, so in many ways the whole year has been a highlight. From the start it quickly became clear to me that Community Foundation Wales is a professional and inclusive organisation which has the strategies and practice in place to develop and thrive. Over the past year Community Foundation Wales has met with considerable challenges all of which the staff have met with grace and skill.

Everyone is given the chance to be their best: staff, grant-makers and most importantly those who receive their grants. I work in the charity arts sector in Wales, conversations frequently include talk about funding. I hear nothing but positive feedback about Community Foundation Wales. Small charities are so grateful for the clear, supportive guidance the grants team give them. The charities really appreciate the effort Community Foundation Wales takes to consider their funding needs both now and in the future.

A second highlight of my year has been the chance to meet the charities supported by Community Foundation Wales and get a glimpse of what they do. The difference between each charity really underlines for me the wide range of support we give to so many different groups within Wales, each one helping people to overcome difficulties and challenges.”

Joy Kent was a trustee from 2017 to December 2019.

Lulu Burridge was a trustee from 2011 to June 2019.

Lloyd Fitzhugh was a trustee from 2013 to May 2020.

We would like to record our heartfelt thanks to Joy, Lulu and Lloyd for their valuable contribution to Community Foundation Wales and our work.

# Financial review

## Overview

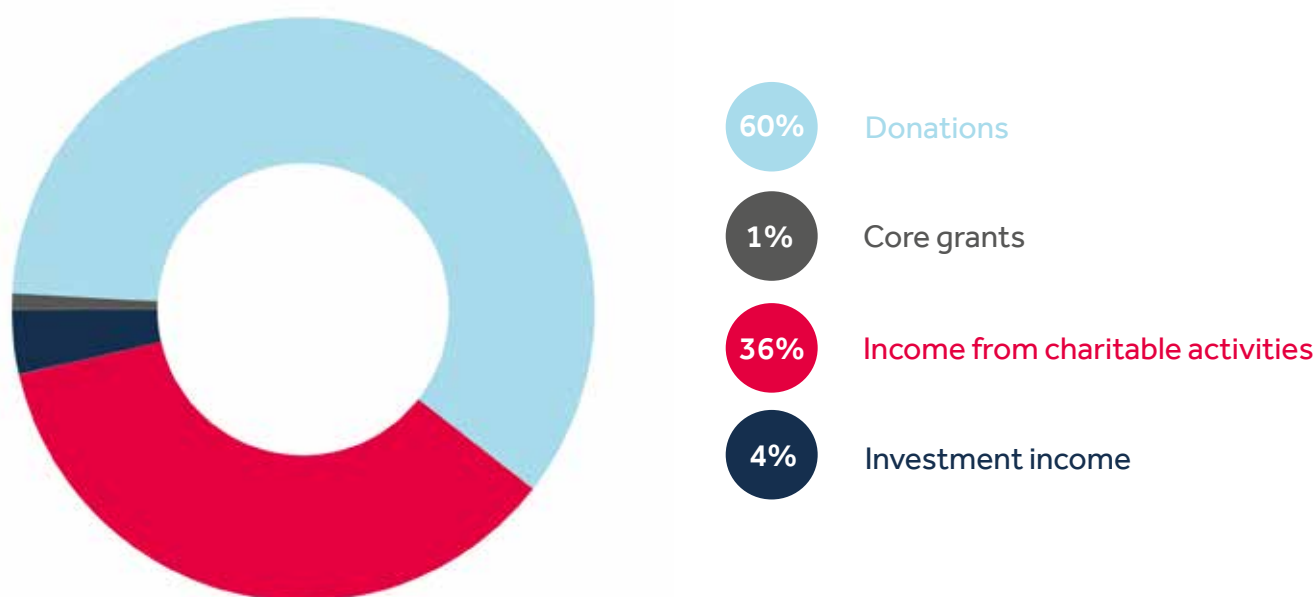
- The net assets of Community Foundation Wales are valued at £16.7m, a decrease of £345k on the prior year. This was as a result in the sudden drop in the markets in March 2020 due to Covid-19.
- New endowment money of £2.3m was received.
- Income of £4.5m, £508k of which was designated for the Foundation's core operational costs and was generated from promoting and managing philanthropy (97%), core grants (1%) and other earned income (2%).
- Expenditure of £3.6m of which £3.3m was spent on over 565 grants to different organisations and individuals.
- Charitable activity expenditure was £3.4m and represents 95% of total charitable expenditure.
- Unrestricted end of year reserves of £212k, which is within the target range and commensurate with the strategic plans of Community Foundation Wales.

## Income

Income of £4.5m of which £2.7m was received from donations, £2.2m of this consisting of new endowment.

Income from investments was £161k. This is down slightly on the prior year because the majority of income is now reinvested at source by our investment managers and interest rates have dropped.

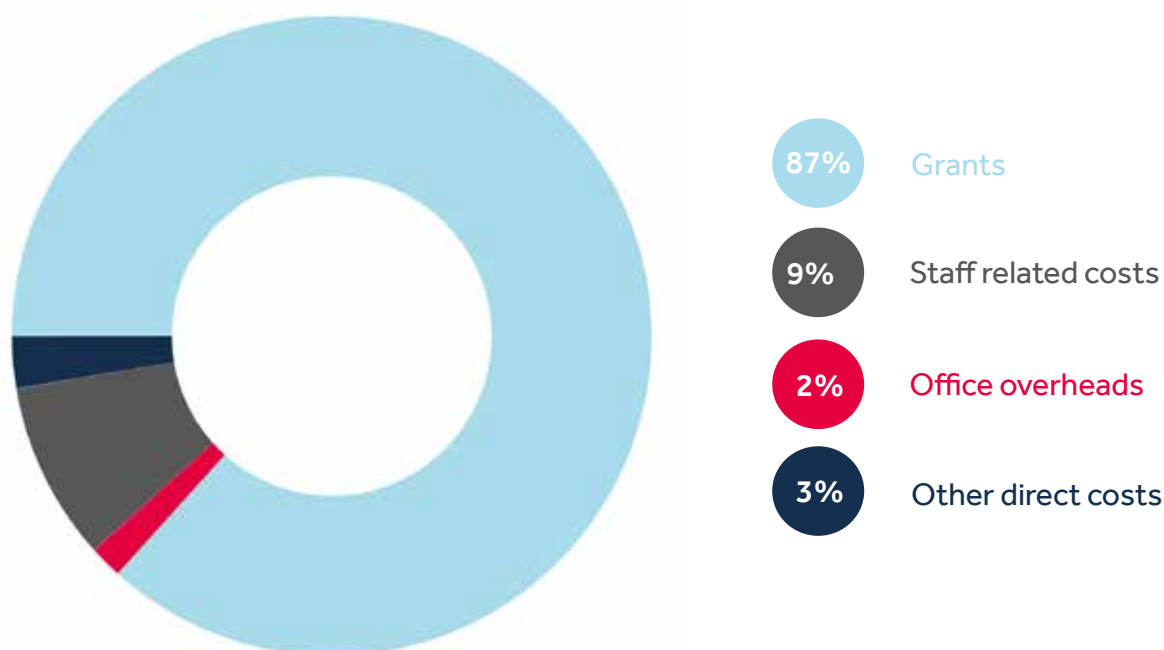
Charitable activity income of £1.6m is for grant-making from immediate impact restricted funds and is a decrease of £428k on the prior year.



## Expenditure

Expenditure of £3.6m, of which £122k, was spent on developing new funds and looking after our existing fundholders, £10k was spent on securing core grant income and £45k managing our investment portfolio to develop returns for grant-making - £32k of this was for the direct costs of the investment managers.

Charitable activity expenditure was £3.4m of which £2.95m was spent directly on grants to over 565 projects.



## Investments

Community Foundation Wales' Finance, Risk and Investment Committee holds delegated responsibility from the Board of Trustees for overseeing all financial, investment and risk management aspects of Community Foundation Wales, including monitoring the investment strategy and evaluating investment managers' performance. Meeting quarterly, the Finance, Risk and Investment Committee monitors and scrutinises the investment performance. This is also constantly reviewed, and analysed monthly, by the executive team which liaises regularly with our investment managers to update our asset allocation and other investment considerations. Our investment managers make a formal presentation to the Finance, Risk and Investment Committee at least once a year, during which performance, strategy, market conditions, and policy updates are reviewed.

To offer an endowment fund grant-making capability that increases with inflation, Community Foundation Wales' investment strategy is to maintain the real value of both its capital and the funds available for charitable purposes over an economic cycle through a diversified portfolio of securities within an acceptable risk profile.

Further diversification is achieved by spreading the investments across two investment managers. Community Foundation Wales has a discretionary investment portfolio with Brewin Dolphin and pooled fund holdings with CCLA. Each endowment fund has a percentage share of the combined manager portfolios that is adjusted every time capital is added or withdrawn. Community Foundation Wales' ethical investment policy means that the portfolio will have no significant direct investment exposure to tobacco, arms, pornography and gambling.

Community Foundation Wales operates a total return approach to managing the investment portfolio. Each year the trustees review the requirements from each fund, taking into account the needs of beneficiaries, expectations of fundholders and historic investment performance. The trustees set a maximum recommended distribution amount for each fund. This recommended distribution amount is a nominal amount. It is only officially designated as income as and when it is needed to meet expenditure requirements.

Community Foundation Wales still maintains a modest income flow which is designed to assist with meeting cashflow requirements. Cash will be withdrawn from the endowment funds to cover the management fees and to enable grant-making.

During 2019/20 the trustees recommended an across the board distribution figure of 3.5% of the opening year value of the endowment, except in specific cases where funds required higher distribution amounts to meet community needs and/or fund holder requirements.

Community Foundation Wales complies with the specific guidance from the Charity Commission regarding permanently endowed funds. The charity manages 12 funds which are considered to be permanently endowed, totalling £7.9m as at 31 March 2020 (see note 18).

The initial value of the permanently endowed trust for investment was established as 1st April 2012. For permanently endowed trusts established after this, it is the date the fund was established.

Community Foundation Wales has one investment property that is leased out until 2035. A reserve for maintenance costs over the life of the lease that fall to Community Foundation Wales as landlord was established in 2011 and is currently valued at £61,416. Community Foundation Wales' single investment property delivered a gross yield of 15.1%, however, this was in large part due to a rent review which took place in year and which was backdated to 2015. Stripping out the backdated rent gives an annual yield from rent of 10.62%.

The net assets of Community Foundation Wales at 31 March 2020 are £16.7m. Of this, £13.9m is investments, which consists of an investment property valued at £300k and an investment portfolio valued at £13.6m.

The value of the investments dropped by £1.4m, this resulted from the extreme market volatility in February and March 2020, due to the onset of the Covid-19 pandemic. Markets quickly priced in a forthcoming recession, resulting in one of the sharpest falls in stock market history. Markets have since rebounded and are once more at pre-Covid values.

A full review of the investment management took place in early 2019 which resulted in the appointment of Brewin Dolphin to manage a segregated investment portfolio worth approximately £10m. CCLA will manage the remainder of the portfolio, valued at approximately £5m. These changes came into effect in late summer 2019. The trustees would like to place on record their thanks to Rathbones and M&G for their service over the last seven years.

## Reserves Policy

Community Foundation Wales has established a reserves policy whereby the unrestricted funds should be between four and eight months of annual budgeted unrestricted routine expenditure. The reserves are needed to meet the working capital requirements of Community Foundation Wales and Community Foundation Wales is confident that, at this level, it would be able to sustain its current activities and honour commitments to donors and beneficiaries for the short term in the event of a significant drop in income. The reported reserves available to Community Foundation Wales of £212k are in this target range, and enable Community Foundation Wales to deliver its plans. The cash flow forecast is monitored monthly against the reserves target.

Restricted funds for beneficiaries are held in separate bank accounts; grant spend is not committed until the covering funds have been received.

# Objectives and activities

## Charitable objects

Community Foundation Wales' charitable objects, as outlined in our Articles of Association, which were adopted on 24th March 2012, (and previously contained in the company's Memorandum of Association) are:

- The promotion of any charitable purpose for the benefit of the community in Wales including the advancement of education, the protection of good health, both mental and physical, and the relief of poverty and sickness and other exclusively charitable purposes which are beneficial to the communities in Wales.
- Other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the Trustees, beneficial to the community with a preference for those in the area of benefit.

## Mission and Vision

**Mission:** To strengthen and enrich local communities across Wales by inspiring and managing philanthropy.

**Vision:** A Wales with a thriving voluntary and community sector, where local people lead projects and have the financial resources to develop their own solutions based on need.

## Charitable activities

Promoting philanthropy and grant-making are Community Foundation Wales' principal charitable activities, representing the two sides of Community Foundation Wales' core purpose, that of encouraging charitable giving and investing in communities.

## Public benefit

The Trustees of Community Foundation Wales, having reviewed the Charity Commission Guidance, demonstrate public benefit in a number of ways:

- Our aims cover permitted charitable purposes.
- Our key charitable objectives (promoting philanthropy and grant-making) benefit the grant recipients and their communities through financial support to deliver a range of activities which strengthen communities.
- Grant-making, free to beneficiaries, is collaborative (e.g. through working with local Panels to recommend decisions on which projects to fund), and inclusive (e.g. through our grants policy which outlines our transparent, straightforward and clear grant criteria).
- The impact of our grants is demonstrated through monitoring and reporting, as some of the examples featured here show.
- Raising the profile of philanthropy, needs and our grant-making supports and celebrates civil society.
- Initiatives such as the Fund for Wales and philanthropy events promote charitable giving.



# Structure and governance

## Governing document & legal status

Community Foundation Wales is a Charitable Company limited by guarantee registered as Community Foundation in Wales. The Charitable Company was established under a Memorandum of Association dated 19th November 1998 and is governed under its Articles of Association. Following a comprehensive review, new Articles of Association were adopted on 24th March 2012.

Community Foundation Wales is registered with the Charity Commission (registered charity number 1074655). It has the power to receive funds for donors and other contributors and make grants to eligible individuals and communities in support of charitable activities in and for Wales. Community Foundation Wales is also a registered company number 03670680.

We publish our audited accounts on an annual basis along with our annual report.

## Membership

In the event of the company being wound up, Members are each required to contribute an amount not exceeding £1. The Members comprise the current Trustees.

## Board recruitment, induction and development

The Directors of the company are also charity trustees for the purpose of charity law and, under the company's Articles of Association, are known as Members of the Board of Trustees.

A Board Committee, called the Governance Committee, has a broad remit which includes ensuring that the charity has the appropriate trustees to lead Community Foundation Wales' achievement of its rolling three year strategic vision and longer term ambitions. Terms of office, clear roles and responsibilities, Committee Terms of Reference, and a Trustee Development Plan are all in place.

The induction programme for new trustees includes: familiarisation meetings; a Trustee Handbook; visiting funded projects; staff briefings; and attendance at events and Foundation activities. Each trustee also sits on a Board Committee.

In order to achieve our ambitions, Community Foundation Wales' Trustees are committed to learning from examples of best practice from across the community foundation membership and beyond.

Community Foundation Wales renews, invigorates and inspire its Trustees, bringing a strong breadth of skills and expertise to bear on decision-making and planning. This year Community Foundation Wales completed the induction of Emma Metcalfe (April 2019), Annabel Lloyd (June 2020), Samsunear Ali (June 2020), Sarah Corser (September 2020) and Gwyn Owen (September 2020) as new trustees.

## Wider network membership

Community Foundation Wales is a member of UK Community Foundations (UKCF). The role of UKCF includes: representing and raising the profile of community foundations across the UK; the negotiation and management of UK-wide grant programmes; technical assistance; and the provision of a range of member services including a national conference, formal and informal training, and enabling sharing and learning across the network. UKCF underpins the work of the movement, and Community Foundation Wales is proud to be a member. One of our Trustees sits on the board of UKCF.

## Quality accreditation

A further significant benefit of being a member of UK Community Foundations is the expectation that all community foundations maintain their quality accredited status which is re-accredited every three years. Community Foundation Wales was successful in reaching the exacting standards following our submission and interviews in April and May 2017.

Community Foundation Wales is also accredited by Investors in People.

## Organisation governance and structure

Currently Community Foundation Wales has 12 Trustees on its Board.

The Company Secretary (the Chief Executive) attends Board meetings but has no voting rights.

Community Foundation Wales has a President (Captain Sir Norman Lloyd-Edwards).

HRH The Prince of Wales is Patron of the Fund for Wales, of which former Trustee and current Chair of the Wales Council for Voluntary Action, Peter Davies, and internationally renowned harpist Elinor Bennett (Lady Wigley), are Ambassadors.

The Board's Committees are reviewed each year ensuring that Community Foundation Wales has an appropriate committee structure to enable it to deliver its objectives.

Committees operating in this financial year were:

1. Grants committee, which approves grants on behalf of the Board. This year the Grants Committee monitored, evaluated and supported the management of £2.95m in grants on behalf of Community Foundation Wales' Fund holders, donors and clients.
2. Finance, Risk & Investment committee, whose work ensures appropriate risk management and achieves a benchmarked return on investment of our capital assets to achieve capital growth and income for grant making. It is also responsible for HR.
3. Forward Planning, Governance & Development committee, which leads the strategic planning work and monitors governance obligations.

The Board's Committees meet regularly with responsibility for the delivery of the Three Year Strategic Plan sitting at the heart of their work. The monitoring of risk, Quality Accreditation Standards and the delivery of the Annual Business Plan are key tasks, and Trustees' strategic perspective, oversight, expertise and input are key features of Committee work. All Trustees are welcome to attend and contribute to all Committee meetings, and this often happens in practice.

The Chief Executive sits on all Board Committees, with senior managers also in attendance. Staff members often join Trustees' meetings and workshops and project visits.

Community Foundation Wales has insurance cover appropriate to the needs of the organisation, which is reviewed annually. This includes trustees indemnity of £1m.

## Pay and remuneration

The Directors on the Board of Directors, who are the Trustees of Community Foundation Wales, consider that they, and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating Community Foundation Wales on a day to day basis.

All Directors give of their time freely and no Director received remuneration in the year. Expenses are paid in line with the Community Foundation Wales' Expenses Policy, which relates to both Trustees and staff.

Details of Directors' expenses and related party transactions are disclosed in note 7 and note 20 to the accounts.

Staff pay is reviewed annually in line with the Salary Review Policy which includes the following framework:

- Subject to approval by the Board of Trustees and affordability within the budget an annual % increase will be awarded and equitably distributed to all staff.
- Salary changes can be reflected by changes in duties or responsibilities in the job description.

- Promotions, additional holiday and/or volunteer time and one-off bonuses can also be awarded.
- A salary change can be authorised for a short term period, for example for additional responsibilities or duties undertaken on a short term basis, or permanently.
- In exceptional circumstances a staff member may receive a salary cut.

## Risk management

Community Foundation Wales continues to identify and review the major risks that it faces, and has robust procedures to mitigate and manage them. This includes each Committee taking responsibility for monitoring appropriate risks identified through the Risk Policy and Risk Register as a standing item on each meeting agenda. This ensures that all Trustees are aware of the range of risks faced, the likelihood and the mitigating actions taken to reduce risks, and their role in monitoring the delivery of the Risk Policy.

Risks actively monitored and mitigated this year have included:

- matching operational priorities and ambitions with a limited staff capacity
- business continuity

## Related Parties

Note 20 gives details of various small transactions with other related parties.

Subsidiary Charities - for accounting purposes, Community Foundation Wales is a Group comprising several separate charities whose accounts and activities are consolidated within this Group report and accounts. These charities within the Group are:

- Community Foundation Wales which is a limited company and the parent/main operating charity.
- Montgomeryshire District Trust Fund (registered charity number 513855): supports community initiatives which increase access to leisure and recreation for residents of Montgomeryshire. Community Foundation Wales is the sole trustee.
- Montgomeryshire Intermediate and Technical Education Fund (registered charity number 525726): provides bursaries to first year students at Aberystwyth University who attended a Montgomeryshire High School. Community Foundation Wales is the sole trustee.
- Stanley Bligh Memorial Fund (registered charity number 525314): provides assistance to individuals or groups in Powys pursuing studies or activities in technical and vocational subjects in the arts or sciences. Community Foundation Wales is the sole trustee.
- Former Brecon Girls School Fund (registered charity number 1074498): for general education purposes for the residents of Brecknockshire. Community Foundation Wales is the sole trustee.
- Education Trust for Cardiff Citizens (registered charity number 506656): to advance the education of residents of Cardiff. Community Foundation Wales is the sole trustee.
- Cardiff Citizens Charity (registered charity number 206549): for the relief of financial hardship of residents of Cardiff. Community Foundation Wales is the sole trustee.
- Rudbaxton Parish Education Fund (registered charity number 1145391): to advance the education of children and young people under the age of 25 who live in the Parish of Rudbaxton. Community Foundation Wales is the sole trustee.
- Monmouthshire Further Education Trust Fund (registered charity number 1146059): to advance the education/training of young people in the County of Monmouthshire as it existed in 1956. Community Foundation Wales is the sole trustee.
- The Education Fund of Denbigh and the Surrounding Area (registered charity number 1074655-1): to advance the education of persons between the ages of 11 years and 25 years resident in the area of benefit in such ways that are not required to be provided by the local education authority. Community Foundation Wales is the sole trustee.

- xi. The TJ Jones Memorial Fund (registered charity number 1074655-2): to provide scholarships to assist beneficiaries to undertake training in engineering or advanced technical education at institutions of further education. Community Foundation Wales is the sole trustee.

Unless explicitly stated otherwise, the comments in this report apply to the Group.

Powys Welsh Church Fund - note 18 gives details of Community Foundation Wales' involvement in the management of the Powys Welsh Church Fund.

Clwyd Welsh Church Fund - note 18 gives details of Community Foundation Wales' involvement in the management of the Clwyd Welsh Church Fund.

## Reference and administrative details

The charity's registered name is:	The Community Foundation in Wales
The charity's trading name is:	Community Foundation Wales
The charity is known in Welsh as:	Sefydliad Cymunedol Cymru
Registered Company Number:	03670680 (registered in England and Wales)
Registered Charity Number:	1074655
Principal & Registered Office:	St Andrews House, 24 St Andrews Crescent, Cardiff, CF10 3DD

Trustees serving in the financial year, and at the date of approval of this report:

Mr Alun Evans (Chairman)

Mr Nigel Annett CBE (Vice Chairman)

Mrs Kathryn Morris (Honorary Treasurer)

Mr Lloyd FitzHugh OBE DL (resigned July 2020)

Mrs Tanwen Grover

Mr Geraint Jewson

Mrs Joy Kent (resigned December 2019)

Mrs Lulu Burridge (resigned June 2019)

Mr Andrew Tuggey CBE DL

Ms Sarah Jennings

Emma Metcalfe (appointed April 2019)

Annabel Lloyd (appointed June 2020)

Samsunear Ali (appointed June 2020)

Sarah Corser (appointed September 2020)

Gwyn Owen (appointed September 2020)

The Trustees delegated the day-to-day management of the charity to the Chief Executive and Company Secretary, Richard Williams.

## Senior management team

Director of Programmes: Andrea Powell

Finance Manager: Catherine Jewsbury

Grants & Programmes Manager: Ffion Roberts

Manager, Donor Advised Giving: Katy Hales



## Auditors

Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

## Bankers

The Royal Bank of Scotland  
South Wales Commercial Office  
One Kingsway  
Cardiff  
CF10 3AQ

## Solicitors

Geldards LLP  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

Berry Smith LLP  
Haywood House  
Dumfries Place  
Cardiff  
CF10 3GA

## Investment Managers

M&G Investments (to September 2020)  
Laurence Pountney Hill  
London  
EC4R 0HH

Rathbone Brothers PLC (to September 2020)  
1 Curzon Street  
London  
W15 5FB

Brewin Dolphin Ltd (from September 2020)  
2nd Floor  
5 Callaghan Square  
Cardiff  
CF10 5BT

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

## The trustees present their report and financial statements for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

### Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and the group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable it to ensure that the financial statements comply with the Charities Act 2011, the Companies Act 2006, the applicable Charities (Accounts and Reports) regulations and the provisions of the trust deed. 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.

### Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the Charitable Company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charity's auditors are aware of that information.

### Auditors

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (effective 1 January 2015) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors on

and signed on its behalf.

**Alun Evans**  
Chairman of Trustees

**Kathryn Morris**  
Trustee & Treasurer

# Independent Auditor's Report

## Independent Auditor's Report to the Members and Trustees of Community Foundation in Wales

### Opinion

We have audited the financial statements of Community Foundation Wales (the "Charity") and its subsidiaries for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, 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 group's and of the charity's affairs as at 31 March 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, 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 group and charity'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.

### 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.

## Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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 by the charity, or returns adequate for our audit have not been received from branches not visited by us
- the charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit; or
- the trustees (who are also the directors for the purposes of company law) were not entitled to take advantage of the small companies' exemption relating to charitable companies from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

## Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 30], the trustees 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 they 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 group and the charity'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 group and the charity or to cease operations, or have no realistic alternative but to do so.

## Our 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)]. This description forms part of our auditor's report.

### Use of our report

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

Sarah Case FCA DChA (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services

Date:

Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB



# Consolidated statement of financial activities

(including consolidated income and expenditure account)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	2019/20 Total £	2018/19 Total £
Income and endowments from:						
Donations & legacies	2	307,066	240,832	2,192,080	2,739,978	696,596
Income from investments	3	5,196	45,755	110,483	161,434	122,733
Charitable activities						
Grantmaking	4	0	1,625,485	0	1,625,485	2,053,852
Other income		0	0	0	0	1,662
Total income		312,262	1,912,072	2,302,563	4,526,897	2,874,843
Expenditure on:						
Costs of raising funds	5					
Fund development & donor care		122,126	0	0	122,126	121,441
Core grants		10,354	0	0	10,354	9,227
Investment income		13,104	0	31,837	44,941	47,653
Charitable activities						
Grantmaking		197,527	3,127,411	0	3,324,938	2,753,548
Promoting philanthropy		93,665	1,867	0	95,532	95,418
Total expenditure		436,776	3,129,278	31,837	3,597,891	3,027,287
Net income/(expenditure) before gains and losses on investments		(124,514)	(1,217,206)	2,270,726	929,006	(152,444)
Net gain/(loss) on investments	11	0	0	(1,273,545)	(1,273,545)	1,045,137
Net income/(expenditure) for the year		(124,514)	(1,217,206)	997,181	(344,539)	892,693
Transfers between funds		195,531	437,182	(632,713)	0	0
Subsidiary assets transferred into group		0	0	0	0	0
Net movement in funds		71,017	(780,024)	364,468	(344,539)	892,693
Reconciliation of funds						
Fund balances brought forward		141,081	1,890,203	15,059,136	17,090,420	16,197,727
Fund balances carried forward		212,098	1,110,179	15,423,604	16,745,881	17,090,420

Part of the loss on investment was due to the TJ Jones Memorial Fund being a debtor at the year end.

# Consolidated and charity balance sheets

		Group		Charity	
Note		2019/20 £	2018/19 £	2019/20 £	2018/19 £
<b>Fixed Assets</b>					
Tangible assets	10	11,528	0	11,528	0
Intangible assets	10	2,090	0	2,090	0
<b>Investments</b>					
Property	10	300,000	300,000	0	0
Securities	11	13,577,727	15,016,322	9,547,128	10,599,757
		13,891,345	15,316,322	9,560,746	10,599,757
Long term debtors	12	81,664	87,584	0	0
<b>Current Assets</b>					
Debtors	13	2,137,567	341,418	383,377	338,190
Provision for investment transfers	13	565,463	0	443,336	0
Cash at bank and in hand		1,042,744	1,939,811	897,394	1,808,411
		3,745,774	2,281,229	1,724,107	2,146,601
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	14	(972,902)	(594,715)	(843,895)	(574,785)
Net Current Assets		2,772,872	1,686,514	880,212	1,571,816
<b>Net Assets</b>					
		16,745,881	17,090,420	10,440,958	12,171,573
<b>Represented by:</b>					
<b>Unrestricted funds</b>					
General fund	16	212,098	141,081	212,098	141,081
Restricted income funds	17	1,110,179	1,890,203	884,975	1,701,426
Endowment funds	18	15,423,604	15,059,136	9,343,885	10,329,066
		16,745,881	17,090,420	10,440,958	12,171,573

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies. The notes at pages 37 to 61 form part of these accounts. The financial statements were approved by the Board of Directors on \_\_\_\_\_ and were signed on its behalf by:

Alun Evans  
Chairman of Trustees

Kathryn Morris  
Trustee & Treasurer

# Consolidated statement of cashflows

	Note	2019/20 £	2018/19 £
Net cash used in operating activities	24	(1,610,342)	(236,212)
Cash inflows from investing activities	3		
Investment income		161,434	122,733
Net cash from investing activities		161,434	122,733
Cash flows from investing activities			
Payments to acquire fixed asset investments	11	(21,885,906)	(1,142,502)
Receipts from sale of fixed asset investments	11	21,995,513	855,158
Acquisition of fixed assets	10	(17,585)	0
Add back depreciation and amortisation	10	3,967	
Net cash generated used in investing activities		95,989	(287,344)
Operating cash flow in year		(1,352,919)	(400,823)
Management of liquid resources			
Decrease in net cash in investment	11	455,852	(748,085)
(Decrease)/Increase in net cash at bank in the year		(897,067)	(1,148,908)
Cash and cash equivalents at 1 April 2019		1,939,811	3,088,719
Cash and cash equivalents at 31 March 2020		1,042,744	1,939,811

# Notes to the financial statements

## 1. Accounting policies

### Charity information

Community Foundation in Wales is a charitable company limited by guarantee incorporated in England and Wales. The registered office is St Andrews House, 24 St Andrews Crescent, Cardiff CF10 3DD.

### Accounting convention

The accounts have been prepared in accordance with the charity's Articles and Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The Charitable Company's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

### Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Charitable Company's ability to continue as a going concern.

### Basis of consolidation

The group financial statements consolidate those of Community Foundation Wales and its subsidiary undertakings (see note 23), made up to 31 March 2020, on a line by line basis.

The consolidated entity is known as the 'Group'.

Accounting policies specific to the Charitable Company or group in total are laid out below.

No separate company Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

### Income

Income is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. It is derived from the activities outlined below.

Donations without conditions are accounted for on a cash received basis. In the event that a donation is subject to conditions that require a level of performance before the Charitable Company is entitled to the funds, the income is deferred and not recognised in full either until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the report period.

Income from government and other grants, whether capital or revenue grants, is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that that income will be received and the amount can be measured reliably and not deferred.

Gift Aid receivable is included in income where there is a valid declaration from the donor.

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

Investment income comprises of bank interest and dividends and interest arising from discretionary investment activities. Investment income arising from discretionary investment activities is re-invested by the Investment Managers.

## Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- **Cost of raising funds**

The costs of generating funds consist of investment management costs and certain legal fees.

- **Cost of charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charitable Company.

In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charitable Company.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable. The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charitable company that would permit the charitable company to avoid making the future payment(s), settlement is probable and the effect of discounting is material.

## Allocation of support and governance costs

Support costs are these functions that assist the work of the Charitable Company but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charitable Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The bases on which support costs have been allocated are set out in note 5.

## Taxation

The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects.

## Investments

Assets held for investment purposes are valued at market value at the balance sheet date. Investment properties are held for their investment potentials and not for use by the company and so their current value is of prime importance.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end. Realised and unrealised investment returns are split across each endowment fund according to the fund's percentage of the overall portfolio.



Community Foundation Wales operates a total return approach to its investments. The power of total return permits the Trustees to invest permanently endowed funds to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment. The power allows the trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for expenditure. The transfers between endowment and restricted funds and endowment and unrestricted funds reflect the income designated in this financial year.

## Fixed Assets

Depreciation is provided on all tangible assets, other than land or investment properties, at rates established to write off the costs of over its expected useful life.

Leasehold property improvements – five years to next lease review.

## Intangible Assets

These include software, web design and CRMs. They are amortised over the useful life, normally between three and five years.

## Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

## 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.

## Creditors and provisions

Creditors and provisions are recognised where the Charitable Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

## Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## Fund accounting policy

Funds held by the group are:

**Unrestricted Funds** - these cover the operating costs and reserves of the group; there are no designated funds.

**Restricted Funds** - these are given the following classifications:

**Immediate Impact** - these are funds where the money for grants payable originates from other organisations or individuals, but the originator has delegated all or part of the work of researching, recommending and/or choosing suitable beneficiaries, managing grant applications, controlling the grant payments, and project monitoring/reporting. Examples may include situations where the group is acting as the local agent for national bodies, and where organisations or individuals have decided to out-source their grant-making.

**Endowment Fund Income** - these funds are used for the payment of grants out of the net investment returns designated by the trustees for income distribution from endowment funds with specified purposes.

**Fundraising Activity** - income and costs from events held by individuals not employed or contracted by Community Foundation Wales, to raise funds for specified purposes.

**Foundation Operating Costs** - funds received for specific work undertaken by Community Foundation Wales to enable the delivery of charitable activities.

**Endowment Funds** - the endowment funds held at the balance sheet date are all to be used for specific purposes.

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

### **Pension costs**

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the period in which they are payable.

### **Critical accounting estimates and assumptions**

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year.

## 2. Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019/20 Total £	2018/19 Total £
Core grants					
Welsh Government	40,677	0	0	40,677	40,807
Donations					
Charities/organisations	173,484	155,649	2,134,963	2,464,096	226,673
Corporate donors	59,381	0	44,617	103,998	197,787
Individuals	33,524	85,183	12,500	131,207	231,329
	307,066	240,832	2,192,080	2,739,978	696,596

## 3. Investment income

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019/20 Total £	2018/19 Total £
Dividends	0	0	110,483	110,483	78,352
Property rental	0	36,870	0	36,870	39,804
Grants returned to CFW	0	8,885	0	8,885	0
Bank interest	5,196	0	0	5,196	4,577
	5,196	45,755	110,483	161,434	122,733

## 4. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019/20 Total £	2018/19 Total £
Charities/organisations	0	1,552,819	0	1,552,819	1,613,919
Corporate donors	0	0	0	0	277,183
Individuals	0	72,666	0	72,666	162,750
	0	1,625,485	0	1,625,485	2,053,852

## 5. Expenditure

	Grants £	Staff- related £	Other direct £	Office Overheads £	2019/20 Total £	2018/19 Total £
Cost of raising funds:						
Core grants	0	9,755	0	599	10,354	9,227
Fund development & donor care	0	106,713	4,710	10,703	122,126	121,441
Investment income	0	11,319	32,425	1,197	44,941	47,653
Charitable activities						
Grantmaking	3,118,061	133,287	39,632	33,958	3,324,938	2,753,548
Promoting philanthropy	0	64,679	17,456	13,397	95,532	95,418
Total resources expended	3,118,061	325,753	94,223	59,854	3,597,891	3,027,287

Grants totalling £2,875,869 (2018/19: £2,531,727) have been made to institutions and £69,699 (2018/19: £50,801) to individuals. The directors do not believe any particular institution received a material grant in the context of grant making.

Costs have been attributed on a basis consistent with the use of resources. Where costs cannot be allocated, they are apportioned by the estimated percentage of time spent on each activity. Office overhead costs equate to support costs - being premises and office-related costs.

## Governance costs

Governance costs are included under Community Foundation Wales' charitable activities expenditure and are broken down as follows:

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019/20 Total £	2018/19 Total £
Meeting costs	718	0	0	718	1,727
Trustees costs	8,920	0	0	8,920	7,903
Subscriptions	11,877	0	0	11,877	14,818
Professional fees	5,351	7,466	0	12,817	10,009
Other	0	0	0	0	0
Staff related costs	42,243	0	0	42,243	41,434
Office overheads	7,180	0	0	7,180	6,215
	76,289	7,466	0	83,755	81,506

## 6. Staff costs

	2019/20 £	2018/19 £
Salaries	265,423	234,913
Social security costs	25,920	23,578
Pension costs	11,743	11,484
	303,086	269,975

The average number of full-time equivalent employees during the year, analysed by category, was:

	2019/20	2018/19
Direct charitable	5	5
Business development	1	1
Governance	1	1
	7	7

Community Foundation Wales considers its key management personnel comprise the Chief Executive, Deputy Chief Executive, Finance Manager, Development Manager and Grants & Programmes Manager. The total employment benefits, including employer pension contributions, was £209,947. No trustee received remuneration.

One employee received emoluments (excluding pension contributions) exceeding £60,000 in the year.

## 7. Trustees

During the year, 5 trustees (2018/19: 9) were reimbursed for expenses amounting to £8,377 (2018/19: £7,903). All costs were related to travel and subsistence.

## 8. Net income for the year before transfers

	2019/20 £	2018/19 £
The net income for the year before transfers is stated after charging:		
Auditors remuneration	6,875	7,908
Operating lease rentals:		
- Plant and machinery	2,384	1,586

## 9. Charity results

As per section 408 of the Companies Act 2006, the charity has not included its own income and expenditure account in these financial statements. The results of Community Foundation Wales are summarised.

	2019/20 £	2018/19 £
Total income	2,186,853	2,870,038
Total expenditure	(3,321,674)	(2,964,086)
Net incoming/outgoing resources before transfers	(1,134,821)	(94,048)
Investment gain/(loss)	(595,790)	730,281
Net movement in funds	(1,730,611)	636,233



## 10. Fixed and Intangible Assets

### Investments - Property

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
At 1 April 2019 and 31 March 2020	300,000	300,000	0	0
Properties at year end comprised:				
Former county school at Newtown	300,000	300,000	0	0
	300,000	300,000	0	0

This property is part of the Montgomeryshire Intermediate & Technical Education Fund endowment. The property is valued every five years and was last valued on 18th June 2015 by Andrew H Turner M RICS from Morris Marshall on an open market valuation basis. The Trustees believe that there has not been a change in the valuation since this date. The Trustees undertook an inspection of the property on 10 July 2017.

### Tangible assets

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Leasehold improvements				
Opening balance 1/4/2019	0	0	0	0
Additions in year	14,410	0	14,410	0
Depreciation	(2,882)	0	(2,882)	0
Value at 31/03/2020	11,528	0	11,528	0

### Intangible assets

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Web design				
Opening balance 1/4/2019	0	0	0	0
Additions in year	3,175	0	0	0
Amortisation	(1,085)	0	0	0
Value at 31/03/2020	2,090	0	0	0

## 11. Investments - Securities

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Listed investments at valuation				
Opening valuation	15,016,322	12,935,756	10,599,757	8,838,137
Additions in the year	21,885,906	1,142,502	15,387,980	793,534
Disposal proceeds	(21,995,513)	(855,158)	(15,465,045)	(593,957)
Cash movements	(455,852)	748,086	(379,775)	835,852
Gain or loss on revaluation	(873,136)	1,045,136	(595,789)	726,191
Closing valuation	13,577,727	15,016,322	9,547,128	10,599,757

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Listed investments comprised				
Uk-listed investments	13,324,780	12,331,265	9,373,050	8,309,661
Portfolio cash flow	252,947	226,992	174,078	152,963
	13,577,727	12,558,257	9,547,128	8,462,624

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Material investments				
CCLA	4,463,577	1,625,078	3,138,563	1,147,114
Segregated portfolio holdings	9,114,150	5,635,725	6,408,565	3,978,160
M&G Charifunds	0	5,505,082	0	3,885,940
M&G Global Dividend Fund	0	2,250,437	0	1,588,544
	13,577,727	15,016,322	9,547,128	10,599,758

## 12. Long term debtors

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Property rental	81,664	87,584	0	0

The lease (signed 2011) on Community Foundation Wales' investment property expires in 2035; the lease allows for payment of rental arrears (included management fee) over the life at £5,920 pa.

### 13. Debtors

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Other debtors	2,119,045	337,418	364,855	334,190
Provision for investment transfers	565,463	0	443,336	0
Prepayments and accrued income	18,522	4,000	18,522	4,000
	2,703,030	341,418	826,713	338,190

£1.7m is due from TJ Jones Memorial Fund.

### 14. Creditors - amounts falling due within one year

	Group		Charity	
	2019/20 £	2018/19 £	2019/20 £	2018/19 £
Trade creditors	13,104	10,567	13,104	10,567
Accruals and deferred income	952,857	582,265	823,850	562,335
Tax and social security	6,941	1,883	6,941	1,883
	972,902	594,715	843,895	574,785

### 15. Financial commitments

At 31 March 2020 there were annual commitments under non-cancellable operating leases as follows:

	2019/20 £	2018/19 £
Expiring between two to five years	8,925	17,485

### 16. Movement in unrestricted funds

	Group and Charity				Charity
	At 1 April 2019 £	Income £	Expenditure £	Transfer £	At 31 March 2020 £
Unrestricted general fund	141,081	312,262	(436,776)	195,531	212,098

## 17. Movement in restricted funds (\*= subsidiary fund)

	At 1 Apr 2019 £	Income and transfers £	Grants expenditure £	Other expenditure £	At 31 Mar 2020 £
Immediate Impact Funds					
The Henry Smith Charity	780,780	523,000	(1,256,950)	(46,623)	207
Comic Relief	14,611	0	0	0	14,611
The Skiathos Fund	203,731	3,800	(141,126)	0	66,405
Bristol & West	1,567	670	0	(67)	2,170
Coventry Building Society	0	1,169	(1,169)	0	0
Mosawi	6,000	0	0	0	6,000
Micro Venture Philanthropy Fund	4,211	0	0	0	4,211
Wales Flood Recovery Fund	6,812	716	0	0	7,528
Ashley Family Foundation	0	232,552	(229,652)	(3,300)	(400)
Fourteen	8,232	0	0	0	8,232
New Beginnings	1,250	0	0	0	1,250
South Wales PCC	174,999	0	(174,999)	0	0
Royal London	0	15,000	(5,000)	0	10,000
CO2 Sense	0	2,500	(2,250)	(250)	0
Anglesey Playground Trust	5,935	0	0	0	5,935
Building a Stronger Britain Together	0	20,657	(20,657)	0	0
Older People's Fund	135,000	0	0	(50,000)	85,000
Goodwash	133	0	0	0	133
Wesleyan	31,070	126,000	(86,649)	(6,000)	64,421
Surviving Winter	2,369	0	0	(1,000)	1,369
Give DIFFerently	1,339	3,339	(1,399)	(413)	2,866
Core Funding Programme (Waterloo)	63,000	0	0	(50,000)	13,000
Welsh Procurement Alliance	0	30,000	(30,000)	0	0
Tampon Tax Fund	0	284,200	(284,200)	0	0
Provident Fund	40,000	25,000	(65,000)	0	0
Thomas Carroll Fund	22,202	1,440	(3,850)	(144)	19,648
Geldards Fund	177	1,129	0	(77)	1,229
Four Acre Match	20,000	0	0	0	20,000
High Sheriff of Gwynedd	7,460	530	(7,980)	0	10
Transformation and Growth	0	123,296	(73,296)	0	50,000

	At 1 Apr 2019 £	Income £	Grants paid £	Other £	At 31 Mar 2020 £
Dulverton	0	50,000	0	(5,000)	45,000
Fare Share Cymru	0	75,000	(75,000)	0	0
West Glamorgan High Sheriff	0	13,250	(8,200)	(1,588)	3,462
Gareth Griffiths Fund	0	31,875	0	0	31,875
Coronavirus Resilience Fund	0	332,780	(38,163)	(10,422)	284,195
Daring to Dream	130	2,347	(1,800)	(251)	426
	1,531,008	1,900,250	(2,507,340)	(175,135)	748,783
Endowment Funds					
Martyn Groves Adventure & Travel Fund	947	0	(500)	0	447
The Lord Merthyr Fund	0	0	(35,000)	35,000	0
Dr Dewi Davies Fund	0	0	(30,466)	30,466	0
LNB Fund	0	0	(7,200)	7,200	0
Rudbaxton Parish Education Fund*+	0	0	(9,347)	9,347	0
Powys Welsh Church Fund #+	0	4,428	(46,363)	41,935	0
Montgomery District Trust Fund*+	0	0	(2,786)	2,786	0
Montgomeryshire Intermediate & Technical Education*	174,285	34,865	(19,000)	(16,579)	173,571
Former Girls Grammar School Brecon *+	0	0	(8,537)	8,537	0
Stanley Bligh Memorial Fund*+	9,061	0	(23,000)	13,939	0
Education Trust for Cardiff Citizens*+	0	0	(3,601)	3,601	0
Cardiff Citizens Charity*+	512	0	0	0	512
Monmouthshire Further Education Fund*+	0	0	(4,930)	4,930	0
Education Fund for Denbigh and Surrounding Area*+	4,920	0	(21,500)	16,580	0
Clwyd Welsh Church Fund#+	0	7,462	(14,670)	7,208	0
Gwent High Sheriffs' Community Fund	17,966	85,182	(94,841)	(8,307)	0
Denbighshire Community Endowment Fund	0	0	(20,980)	20,980	0
Former Foundation Powys Fund	3,173	0	0	0	3,173
Foundation Schools Fund	12,058	0	(500)	0	11,558
Fund for Wales	0	0	(10,485)	10,485	0
BIG Fund for Wales	0	0	(100,521)	100,521	0

	At 1 Apr 2019 £	Income £	Grants paid £	Other £	At 31 Mar 2020 £
Wrexham Community Endowment Fund (Church)	0	0	(1,500)	1,500	0
Wrexham Community Endowment Fund (LA)	0	0	(2,300)	2,300	0
Llandrindod High School Charity Fund	5,278	0	(1,000)	0	4,278
Newport Community Endowment Fund	0	0	(7,110)	7,110	0
Anglesey Community Endowment Fund	680	0	0	0	680
Hawarden District Relief Fund	9,087	0	(7,344)	0	1,743
Education Trust of John Vaughan	428	0	(290)	0	138
Mary Jane Foundation Trust	3,568	0	0	0	3,568
Waterloo Match Challenge	89,107	0	0	(6,625)	82,482
Nancy Mudge	28,125	0	0	0	28,125
TJ Jones Memorial Fund*	0	155,649	(95,000)	(9,528)	51,121
	359,195	287,586	(568,771)	283,386	361,396
Group Summary					
Charity	1,701,426	1,997,322	(2,892,011)	78,238	884,975
Subsidiary	188,777	190,514	(184,100)	30,013	225,204
Group	1,890,203	2,187,836	(3,076,111)	108,251	1,110,179

Under Community Foundation Wales' total return policy investment returns are designated as income only when needed to meet expenditure requirements. This is done to achieve efficiency and ensure that endowment assets spend more time invested. A recommended distribution amount is agreed by our trustees each year. This is carried out on a fund by fund basis and takes into account the needs of beneficiaries, fundholder expectations and historic fund performance. Where the full recommended distribution amount is not required to meet expenditure needs then this remains as capital to be designated as income in future years, as required. The closing balances in this note do not necessarily represent the full amount available for grant-making at the end of the financial year.



## 18. Movement in endowment funds (\*= subsidiary fund)

	At 1 Apr 2019 £	Income & transfers in £	Investment returns £	Other expenditure & transfers out £	At 31 Mar 2020 £
The Lord Merthyr Fund	1,061,865	0	(99,164)	(5,000)	957,701
Foundation Schools Fund	128,221	0	(7,323)	(1,335)	119,563
Martyn Groves Adventure & Travel Fund	33,786	0	(1,930)	(352)	31,504
The Sloman Family Fund for Ely	23,070	0	(1,318)	(240)	21,512
Former Foundation Powys Fund	22,437	0	(1,281)	(234)	20,922
Stanley Bligh Memorial Fund*+	1,089,730	0	(68,357)	(18,151)	1,003,222
Llandrindod High School Charity Fund	92,162	0	(4,688)	(1,535)	85,939
Former Girls Grammar School Brecon *+	246,817	0	(20,473)	(4,111)	222,233
Montgomeryshire Intermediate & Technical Education *	968,932	0	(65,422)	0	903,510
Montgomery District Trust Fund*+	419,430	0	(23,918)	(6,986)	388,526
Newport Community Endowment Fund	323,545	0	(23,052)	(5,389)	295,104
Monmouthshire Further Education Fund*+	282,324	0	(18,933)	(4,703)	258,688
Cardiff Citizens Charity*+	128,829	0	(6,553)	(2,146)	120,130
Powys Welsh Church Fund*+##	2,440,646	0	(172,129)	(36,053)	2,232,464
Rudbaxton Parish Education Fund*+	335,627	0	(25,742)	(5,590)	304,295
Fund for Wales	418,961	1,192	(32,649)	(5,452)	382,052
Gwent High Sheriffs' Community Fund	463,862	0	(38,665)	0	425,197
Wrexham Community Endowment Fund (Church)	104,230	0	(7,073)	(1,356)	95,801
Education Trust for Cardiff Citizens*+	345,403	0	(20,909)	(5,753)	318,741
Denbighshire Community Endowment Fund	367,282	0	(38,143)	(6,118)	323,021
Flintshire Community Endowment Fund	213,253	0	(10,847)	(3,552)	198,854
Hawarden District Relief Fund	354,041	0	(18,008)	(5,897)	330,136
BIG Fund for Wales Trust Fund	1,118,444	0	(146,972)	(114,554)	856,918
Carmarthenshire Fund	179,433	0	(9,780)	(2,335)	167,318
Dr Dewi Davies Fund	1,167,534	0	(91,900)	(15,193)	1,060,441
Wrexham Community Endowment Fund (LA)	139,321	0	(9,220)	(2,321)	127,780
Education Trust of John Vaughan	76,385	0	(3,965)	(1,193)	71,227
Wales in London	81,320	3,425	(4,680)	(1,058)	79,007
Anglesey Community Endowment Fund	6,140	0	(335)	(80)	5,725

	At 1 Apr 2019 £	Income & transfers in £	Investment returns £	Other expenditure & transfers out £	At 31 Mar 2020 £
Daisy Fund	53,614	12,500	(3,408)	(1,116)	61,590
Emrys Davies Legacy Fund	31,080	0	(1,451)	(647)	28,982
Education Fund for Denbigh and Surrounding Area*+	847,115	0	(58,466)	(14,110)	774,539
Mary Jane Foundation Trust	30,006	0	(1,401)	(625)	27,980
LNB Fund	368,755	0	(26,319)	(5,258)	337,178
Cricket Wales Foundation	12,298	10,134	(1,308)	(256)	20,868
Clwyd Welsh Church Fund#+	558,858	0	(35,112)	(9,309)	514,437
William Gale Fund	139,568	0	(6,744)	(2,679)	130,145
Newport Girls Fund	32,548	0	(1,189)	(1,008)	30,351
Nancy Mudge Fund	31,441	0	(1,796)	(327)	29,318
Cardiff Story Fund	137,650	40,000	(9,539)	(2,650)	165,461
Newtown Maintenance Reserve*+	65,863	0	(3,590)	(857)	61,416
Mudiad Meithrin Fund	117,310	0	(7,920)	0	109,390
TJ Jones Memorial Fund*+	0	2,124,827	(400,409)	0	1,724,418
	15,059,136	2,192,078	(1,532,081)	(295,529)	15,423,604
Group Summary					
Charity	10,329,066	67,251	(819,310)	(233,122)	9,343,885
Subsidiary	4,730,070	2,124,827	(712,771)	(62,407)	6,079,719
Group	15,059,136	2,192,078	(1,532,081)	(295,529)	15,423,604

\*=Subsidiary funds      + = Permanent endowment funds

# = Powys County Council retains the trusteeship of the Powys Welsh Church Act Fund, Flintshire County Council retains the trusteeship of the Clwyd Welsh Church Fund and Mudiad Meithrin retains the trusteeship of the Mudiad Meithrin Fund .

These organisations have delegated to Community Foundation Wales the management of the Funds' non-property investments. The Foundation manages these charitable investments as part of the Foundation's investment portfolio according to the Foundation's investment strategy.

#### Powys Welsh Church Fund as at 31 March 2020:

- The market value of the Fund's share of the Foundation's investment portfolio was £2,440,646 (2018/19: £2,310,326).
- The amount of annual gross designated income was £nil (2018/19: £21,726).
- The annual core cost contribution deducted from capital was £36,053 (2018/19: £34,727).
- The income held by Community Foundation was £nil (2018/19: £nil).

#### Clwyd Welsh Church Fund as 31 March 2020:

- The market value of the Fund's share of the Community Foundation Wales' investment portfolio was £514,437 (2018/19: £558,858).
- The amount of annual gross designated income was £nil (2018/19: £15,469).
- The annual core cost contribution deducted from capital was £9,309 (2018/19: £9,406).
- The income held by the Community Foundation Wales was £nil (2018/19: nil).

Mudiad Meithrin Fund as 31 March 2020:

- The market value of the Fund's share of Community Foundation Wales' investment portfolio was £109,390 (2018/19: £117,310).
- The amount of annual gross designated income was £nil (2018/19: nil).
- The annual core cost contribution paid independently was £1,830 (2018/19: £1,650).
- The income held by Community Foundation Wales was £nil (2018/19: nil).

## 19. Analysis of assets/liabilities between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019/20 Total £	2018/19 Total £
Group					
Investments	0	0	13,577,727	13,577,727	15,016,322
Investment property	0	0	300,000	300,000	300,000
Fixed and intangible assets	13,618	0	0	13,618	0
Long term debtors	0	81,664	0	81,664	87,584
Current assets excluding cash at bank/hand	590,640	387,976	1,724,414	2,703,030	341,418
Cash at bank and in hand	(360,256)	1,257,655	145,345	1,042,744	1,939,811
Creditors: amounts falling due within one year	(31,904)	(617,116)	(323,882)	(972,902)	(594,715)
	212,098	1,110,179	15,423,604	16,745,881	17,090,420

	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total £	2019 Total £
Charity					
Investments	0	0	9,547,128	9,547,128	10,599,756
Fixed and intangible assets	13,618	0	0	13,618	0
Long term debtors	0	0	0	0	0
Current assets excluding cash at bank/hand	590,640	236,073	0	826,713	338,190
Cash at bank/hand	(360,256)	1,257,650	0	897,394	1,808,412
Creditors: amounts falling due within one year	(31,904)	(608,748)	(203,243)	(843,895)	(574,786)
	212,098	884,975	9,343,885	10,442,958	12,171,572

## 20. Related Party Transactions

During the year ended 31 March 2020, Community Foundation Wales awarded Dangerpoint grants totalling £8,750 (2018/19 £6,571). Lloyd Fitzhugh was a trustee of both Community Foundation Wales and Dangerpoint.

## 21. Pension schemes

The charity contributes to individual stakeholder pensions, and accordingly contributions to these schemes are accounted for on the basis of a defined contribution scheme. During the year ended 31 March 2020, the total employer contributions charged for these schemes amounted to £11,743 (2018/19: £22,163).

## 22. Company limited by guarantee

The charity is limited by guarantee; members' liability is limited to £1 on the winding-up of the charity.

## 23. Subsidiary Charities

The Charity is sole trustee of, and therefore controls, the following charities:

<u>Name</u>	<u>Charity Number</u>	<u>Acquisition Date</u>
Montgomeryshire District Trust Fund	513855	31 August 2009
Montgomeryshire Intermediate & Technical Education Fund	525726	31 August 2009
Stanley Bligh Memorial Fund	525314	31 August 2009
Former Girls Grammar School Brecon	1074498	31 August 2009
Monmouthshire Further Education Trust Fund	1146059	1 April 2010
Rudbaxton Parish Education Fund	1145391	1 November 2010
Cardiff Citizens Charity	206549	1 November 2010
Education Trust for Cardiff Citizens	506656	1 November 2010
Education Fund for Denbigh and Surrounding Area	1074655-1	31 March 2016
TJ Jones Memorial Fund	1074655-2	27 January 2020

These charities perform similar activities to Community Foundation Wales and have co-terminous year ends. The assets of in-year acquisitions have been transferred into the group at fair value as at the date Community Foundation Wales took control. All assets have been consolidated on a line by line basis at the year end. The place of business for all subsidiary charities is in England and Wales.

Montgomeryshire District Trust Fund	2019/20 Total £	2018/19 Total £
Investment income	2,191	6,451
Other income	0	0
Cost of generating funds	(1,747)	(1,520)
Charitable activities	(8,026)	(11,045)
Investment gains and losses	(23,322)	25,023
Net movement in funds	(30,904)	18,909
Assets	389,026	419,430
Liabilities	(500)	0
Net Assets	388,526	419,430
Restricted funds	0	0
Endowment funds	388,526	419,430
Funds	388,526	419,430

Montgomeryshire Intermediate & Technical Education Fund	2019/20 Total £	2018/19 Total £
Investment income	39,269	47,766
Other income	1,000	11,662
Cost of generating funds	(4,892)	(5,490)
Charitable activities	(31,544)	(16,284)
Investment gains and losses	(74,416)	49,864
Net movement in funds	(70,583)	87,518
Assets	1,157,937	1,225,439
Liabilities	(19,440)	(16,360)
Net Assets	1,138,497	1,209,079
Restricted funds	173,571	174,284
Endowment funds	964,926	1,034,795
Funds	1,138,497	1,209,079

Newtown Maintenance Reserve forms part of this fund.

Stanley Bligh Memorial Fund	2019/20 Total £	2018/19 Total £
Investment income	5,691	3,298
Other income	0	480
Cost of generating funds	(4,538)	(3,901)
Charitable activities	(36,614)	(22,703)
Investment gains and losses	(60,110)	77,480
Net movement in funds	(95,571)	54,654
Assets	1,005,722	1,099,651
Liabilities	(2,500)	(860)
Net Assets	1,003,222	1,098,791
Unrestricted funds	0	9,061
Endowment funds	1,003,222	1,089,730
Funds	1,003,222	1,098,791

Former Girls Grammar School Brecon	2019/20 Total £	2018/19 Total £
Investment income	1,289	768
Other income	0	0
Cost of generating funds	(1,028)	(909)
Charitable activities	(11,620)	(6,126)
Investment gains and losses	(13,225)	18,049
Net movement in funds	(24,584)	11,782
Assets	223,133	246,817
Liabilities	(900)	0
Net Assets	222,233	246,817
Unrestricted funds	0	0
Endowment funds	222,233	246,817
Funds	222,233	246,817



Monmouthshire Further Education Trust	2019/20 Total £	2018/19 Total £
Investment income	1,474	883
Cost of generating funds	(1,176)	(995)
Charitable activities	(8,457)	(8,264)
Investment gains and losses	(15,477)	20,731
Net movement in funds	(23,636)	12,355
Assets	260,073	284,634
Liabilities	(1,385)	(2,310)
Net Assets	258,688	282,324
Endowment funds	258,688	282,324
Funds	258,688	282,324

Rudbaxton Parish Education Fund	2019/20 Total £	2018/19 Total £
Investment income	1,753	1,026
Cost of generating funds	(1,398)	(1,233)
Charitable activities	(13,540)	(27,528)
Investment gains and losses	(18,147)	24,105
Net movement in funds	(31,332)	(3,630)
Assets	307,295	335,627
Liabilities	(3,000)	0
Net Assets	304,295	335,627
Endowment funds	304,295	335,627
Funds	304,295	335,627

Cardiff Citizens Charity	2019/20 Total £	2018/19 Total £
Investment income	673	390
Cost of generating funds	(536)	(469)
Charitable activities	(1,609)	(1,406)
Investment gains and losses	(7,226)	9,160
Net movement in funds	(8,698)	7,675
Assets	120,642	129,341
Net Assets	120,642	129,341
Restricted funds	512	512
Endowment funds	120,130	128,829
Funds	120,642	129,341

Education Trust for Cardiff Citizens	2019/20 Total £	2018/19 Total £
Investment income	1,804	1,066
Other income	0	1,220
Cost of generating funds	(1,438)	(1,281)
Charitable activities	(7,916)	(6,843)
Investment gains and losses	(19,112)	25,049
Net movement in funds	(26,662)	19,211
Assets	319,241	345,403
Liabilities	(500)	0
Net Assets	318,741	345,403
Endowment funds	318,741	345,403
Funds	318,741	345,403

Education Fund for Denbigh and Surrounding Area	2019/20 Total £	2018/19 Total £
Investment income	4,424	2,564
Cost of generating funds	(11,288)	(8,850)
Charitable activities	(24,322)	(5,962)
Investment gains and losses	(46,311)	60,230
Net movement in funds	(77,497)	47,982
Assets	774,539	852,034
Net Assets	774,539	852,034
Unrestricted funds	0	4,920
Endowment funds	774,539	847,114
Funds	774,539	852,034

TJ Jones Memorial Fund	2019/20 Total £	2018/19 Total £
Donations in year	2,280,476	0
Other income	0	0
Cost of generating funds	(9,528)	0
Charitable activities	(95,000)	0
Investment gains and losses	(400,409)	0
Net movement in funds	1,775,539	0
Assets	1,876,321	0
Liabilities	(100,782)	0
Net Assets	1,775,539	0
Unrestricted funds	51,121	0
Endowment funds	1,724,418	0
Funds	1,775,539	0

## 24. Reconciliation of income (expenditure) to net cash flows from operating activities

	Note	2019/20 Total £	2018/19 Total £
Net movement in funds		(344,539)	892,693
(Gains) on investments	11	873,136	(1,045,137)
Net investment income and bank interest repayable	3	(161,434)	(122,733)
(Decrease)/increase in debtors	13	(2,355,694)	(110,661)
Increase/(decrease) in creditors	14	378,187	149,626
Net cash outflow from operating activities		(1,610,344)	(236,212)

## 25. Comparative consolidated statement of financial activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019/20 Total £
Income and endowments from:				
Donations & legacies	197,660	25,970	472,966	696,596
Investment income	4,577	39,804	78,352	122,733
Charitable activities				
Grantmaking	0	2,053,852	0	2,053,852
Other income	0	0	1,662	1,662
Total income	202,237	2,119,626	552,980	2,874,843
Expenditure on:				
Costs of raising funds				
Fund development & donor care	112,524	8,917	0	121,441
Core grants	8,227	1,000	0	9,227
Investment income	12,467	0	35,186	47,653
Charitable activities				
Grantmaking	167,396	2,586,152	0	2,753,548
Promoting philanthropy	86,016	9,402	0	95,418
Total expenditure	386,630	2,605,471	35,186	3,027,287
Net income/(expenditure) before gains and losses on investments	(184,393)	(485,845)	517,794	(152,444)
Net gains on investments	0	0	1,045,137	1,045,137
Net income/(expenditure) for the year	(184,393)	(485,845)	1,562,931	892,693
Transfers between funds	200,380	(1,596)	(198,784)	0
Net movement in funds	15,987	(487,441)	1,364,147	892,693
Reconciliation of funds				
Fund balances brought forward	125,094	2,377,644	13,694,989	16,197,727
Fund balances carried forward	141,081	1,890,203	15,059,136	17,090,420



**Newid Bywydau Gyda'n Gilydd**



**Changing Lives Together**