

Devon
Community
Foundation
Helping local people

Devon Community Foundation

(a charitable company limited by guarantee)

Registered charity number 1057923

Trustees' Report and Financial Statements

Year Ended 31 March 2009

Company registered number 3236918

Devon Community Foundation

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Devon Community Foundation

Devon Community Foundation Trustees' report (incorporating the Directors' Report for the purposes of s.234 Companies Act 1985)

Year ended 31 March 2009

Correspondence address: The Factory
Leat Street
Tiverton
EX16 5LL

The charity's correspondent, Mrs Kathy Beechen, can be contacted there. When the new Chief Executive is in post the information will be posted on the Foundation's website www.devoncf.com

Registered Office: C/O Bond Pearce
Ballard House
West Hoe Road
Plymouth
PL1 3AE

The charity's Company Secretary, Bond Law Secretaries Ltd, is based at the same address.

Bankers: Barclays Bank plc
3 Bedford Street
Exeter
EX1 1LX

Charities Aid Foundation
Kings Hill
West Malling
Kent
ME19 4TA

Auditors: Francis Clark
Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Solicitors: Bond Pearce
Ballard House
West Hoe Road
Plymouth
PL1 3AE

Devon Community Foundation

Trustees' Report (continued)

Year ended 31 March 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Statutory Information

The full name of the charity is Devon Community Foundation (hereafter referred to as 'the charity'). The charity's governing instrument is the Memorandum and Articles of Association, as amended by Resolution on 21 November 2006. The charity was incorporated on 12 August 1996 (Registered Company number 3236918) and is registered with the Charity Commission (Registered Charity Number 1057923).

The permanent endowment of Devon Community Foundation is held separately in the Devon Community Foundation Trust, a subsidiary of the Foundation. A Declaration of Trust governs the Devon Community Foundation Trust and its Trustee is the Devon Community Foundation. The charity is also the Trustee of the Tiverton Religious Instruction Fund which was transferred from Devon County Council in January 2009.

Trustees

The Trustees of Devon Community Foundation are the members of the Board of Directors, and are listed below. Membership of committees is also shown:

Mr Ray Miles (Resigned 12 January 2009)	
Mr Mike Bull (Chairman)	(M&G – Chairman and G)
Mr Arthur Ainslie	(DF)
Mr Paul Ellis	(FD and G)
Mr Michael Gee	(M&G)
Dr Kate Gurney	(G and P)
Mr Chris Hill	(M&G)
Mr Mark Haskell	(FD and P)
Mr Steve Hindley	(FD - Chairman)
Mr Michael Hockin	(FD and IP)
Mr Peter Keech	(FD and IP - Chairman)
Mr Martin Lamb	(FD and IP)
Mr Tim Legood	(M&G and G)
Miss Jane McCloskey (Appointed 8 May 2008)	
Mr Tony Melville	
Mrs Anne Mildmay-White	(FD)
Mr David Searle	(DF)
Mr Peter Thistlethwaite (Resigned 17 November 2008)	(G -Chairman)
Mr David Stevens (Appointed 27 March 2008)	(M&G and P - Chairman)

Key to Committees: -

Grants (G)	Drake Fund (DF)
Fund Development (FD)	Personnel Sub-Committee (P)
Management & Governance (M&G)	Investment Panel (IP)

Note: During the course of the year a Personnel Sub-Committee and Investment Panel, which report through the Management & Governance Committee, were established.

Devon Community Foundation

Trustees' Report (continued)

Year ended 31 March 2009

Structure, Governance and Management (Cont)

Trustees are normally elected by the members of the organisation at the Annual General Meeting. Occasionally a new Trustee may be elected during the year at a Board Meeting. One third of the Trustees stand down or stand for re-election at each Annual General Meeting. A Trustee's term of office is three years. He/she may be re-elected for a further term.

No Annual General Meeting was actually held during the year under report. The previous AGM had been held on 27 March 2008 and the next was held on 29 April 2009 so will be covered in the next year's Annual Report. The **President** of the charity is Mr Eric Dancer CBE, JP, Lord Lieutenant of Devon. Lord Morley, The Countess of Arran and Sir Ian Amory are **patrons** of the charity. The Foundation publishes information about its Trustees and staff on the Foundation website and this can be accessed through the web address www.devoncf.com

OBJECTIVES AND ACTIVITIES

What the Charity does

Aims

The charity, which is both grant-making and fund-raising, is building permanent capital funds in Devon. The income from this endowment fund is used to make grants to relieve need and counter the effects of disadvantage in the county. The Foundation also manages flow-through grants for a variety of donors from the public, corporate and charitable sectors, as well as for individuals. It is seeking to expand this type of activity in addition to building its own endowment funds.

General Objectives

The charity's stated objectives, as amended by Special Resolution on 21 November 2006 and approved by the Charity Commission, are as follows:

"The Company is to be established for the support or promotion of any charitable purposes for the relief of poverty, the advancement of education (including training for employment or work), the advancement of religion or any other charitable purpose for the benefit of the community in the county of Devon, and, at the Trustees' discretion, the counties of Cornwall, Somerset and Dorset."

Public Benefit

The Foundation has met its objectives regarding Public Benefit through the management of grant programmes supporting voluntary and community groups which help disadvantaged people throughout the county. The full list of 252 grants is set out in note 17 to the accounts. The majority of the funds used for grant making came through programmes managed on behalf of other organisations. Mindful that these funds will not necessarily be available in future years, the Foundation has embarked on an ambitious programme of developing the endowment fund as a means of supporting disadvantaged people in Devon in perpetuity. This programme is supported by the Grassroots Challenge which is described in greater detail later in this report.

Devon Community Foundation Trustees' Report (continued)

Year ended 31 March 2009

Public Benefit (cont)

However, the Trustees regard every aspect of the work and expenditure of the Foundation as being wholly and exclusively aimed at public benefit. The large grant making programme just mentioned is obviously wholly directed at supporting community groups across the whole of historic Devon. And the fund development work is also exclusively aimed at that same purpose because the investment of the growing endowed resources of the Foundation is managed so as to enable income thereby generated to be also distributed to community groups for the benefit of members of the public (and frequently the more deprived sectors of communities) in Devon.

Main Objectives for the Year

There were similar objectives for the financial year 2008-2009 as the previous year:

- To manage a professional and targeted grant-making programme in Devon
- To continue to build the Foundation's endowed funds
- To raise the profile of the Foundation throughout Devon
- To increase partnership working

Strategies for Achieving the Main Objectives for the Year

The strategies in place to deliver these objectives included working with:

- the six other Community Foundations in the South West region,
- the Community Foundation Network (CFN) to secure a Big Lottery grant from the BASIS programme which challenges the Foundation to raise £1m in endowed funds over the period 1 January 2008 to 31 December 2010, securing additional funds for endowment building activity,
- the local media and other voluntary and community sector organisations to raise the profile of the Foundation in the County,
- the Community Council of Devon which currently provides outreach resources within Devon (excluding Plymouth and Torbay) for the Foundation.

Significant Activities Contributing to the Achievement of the Stated Objectives

The major activities in place in 2008-2009 which contributed to the achievement of the above stated objectives included:

- The securing of three separate contracts – called the Grassroots Programme - from the Office for the Third Sector (acting through the Community Development Foundation) for the delivery of both a programme of grant-making and an endowment building challenge throughout “historic Devon” which extends to what is now the administrative County of Devon and the unitary authority areas of Plymouth and Torbay.

Devon Community Foundation Trustees' Report (continued)

Year ended 31 March 2009

Significant Activities (cont)

- The development and strengthening of the relationship with The Drake Foundation which has become the grant decision-making arm and the Grassroots fund development arm of the Foundation within the City of Plymouth.
- Further extensive development of fund development work, which yielded real benefits in this year (to which reference will be made elsewhere.)
- Participating in wider voluntary sector initiatives such as the Devon Children's Trust, Devon Forum and the Devon Consortium.

Policies

The Trustees have approved a wide range of policies and procedures which cover all aspects of the charity's work and are monitored, reviewed and updated as appropriate.

Staff

During the year the charity employed four full-time members of staff, and three part time staff. In the latter part of the year the former Director, Melanie McLoughlin, retired. She made a significant contribution over eight years in the development of the Foundation from its very early formative stages through to it being a progressive and growing deliverer of major grants. Her work also enabled the endowment building work of the Foundation to take a significant leap forward. Following her retirement the staff have been ably led by Kathy Beechen, as Acting Director, and a new Chief Executive has been appointed with effect from 1 September 2009.

ACHIEVEMENTS AND PERFORMANCE

Key landmarks of the year included the following:

- The involvement in a visit by His Royal Highness, Prince Edward, to Ilfracombe in November 2008 where he met representatives of projects funded by the charity and heard a presentation by the Acting Director.
- Being awarded three contracts for delivery of the Grassroots grant-making and endowment building challenge across historic Devon.
- Achieving all the performance targets by 31 March 2009 to build the endowment and in order to draw down Grassroots matched funding
- The growth of the endowment fund by £642,653. This is permanently endowed and only the yield can be used for making grants
- A major profile and fund development event held at the Royal Torquay Yacht Club
- The continued support from the Viscount Amory's Charitable Trust for our work in the area of fund development.
- Grants of £31,250 from Exeter City Council to continue the Exeter Positive Steps Fund into 2009-2010.

Devon Community Foundation Trustees' Report (continued)

Year ended 31 March 2009

Achievements and Performance (cont)

- New Named Funds were established by individuals and companies.
- The cementing of relationships and co-operation with the Drake Foundation in Plymouth, which supports the development of the Plymouth Grassroots Fund and advises on the distribution of Grassroots Grants.
- The transfer of assets from the Trustees of the North Devon & West Somerset Relief Fund to the Devon and Somerset Community Foundations.
- Extensive work was undertaken with the Trustees of the Devonian Trust which culminated in the transfer of all the assets of that Trust to this Foundation around the very end of the financial year. The full impact of this work will be shown in next year's annual report because most transfers took place a few days after 31 March 2009. This Foundation will now administer the Devonian Trust assets as a named fund within the Foundation.
- The Foundation's Acting Director continued to serve as one of two voluntary sector representatives on the Board of the Devon Children's Trust.

In terms of performance achieved against objectives set for the year, the Foundation set four key objectives for 2008-2009, against which it achieved the following :

Objective	Achievement
<ul style="list-style-type: none"> • To manage a professional and targeted grant-making programme in Devon 	<p>£548,170 awarded in the form of grants to 252 projects in 2008-2009.</p> <p>The Grassroots Programme was secured and administered for three separate contracts across Devon, Plymouth and Torbay.</p> <p>The Foundation continued to manage the delivery of Comic Relief's Sport Relief programme in Devon until December 2008.</p>
<ul style="list-style-type: none"> • To continue to build the Foundation's endowed funds, the income from which provides a sustainable source of grant-making income 	<p>£620,699 was added to the Foundation's endowed funds. This includes the matched funding drawn down from the Grassroots endowment building challenge and gift aid reclaimed against tax paid by individuals.</p>
<ul style="list-style-type: none"> • To raise the profile of the Foundation throughout Devon 	<p>Major events have been held and more are in the advanced stages of planning. The event at Torquay in February is referred to above. Significant media coverage was achieved. The Foundation had a presence at major events throughout the County.</p>
<ul style="list-style-type: none"> • Increased partnership working 	<p>The Foundation had a presence on the Devon Forum Steering Group, Devon Consortium, Devon Children's Trust and the Devon Strategic Partnership Worklessness Group. Partnership work between the seven Community Foundations in the South West region continues to be developed.</p>

Devon Community Foundation Trustees' Report (continued)

Year ended 31 March 2009

Achievements and Performance (cont)

During the course of the year, the Foundation awarded grants totalling £548,170 (2007/08: £1,229,562) to 252 projects throughout the County (a decrease of 55.4%). Details of all grants awarded are available on the Foundation's website www.devoncf.com, with grants of £1,000, or more, detailed at the end of these accounts (note 17). The significant decrease in grant making was due to the completion of the Local Network Fund and Global Grants programmes at 31 March 2008. The start of the Grassroots programme, which had a significantly smaller allocation of flow through grant making, was delayed until July 2008.

John Heathcoat & Co continued to provide office accommodation for the Foundation at their premises in Tiverton. First Great Western provided vouchers for free travel to London meetings for Foundation staff, and meeting rooms were provided by Ashfords, the Midas Group, Devon County Council, Exeter City Council and John Heathcoat and Co. Hooper and Wollen sponsored the event held at the Torquay Yacht Club.

The Foundation benefits greatly from liaison with many local voluntary groups. Practical advice and support is provided by the Community Foundation Network and in particular by the neighbouring Community Foundations in the South West Region. This is a product of the developing relationship fostered by the Big Lottery BASIS and South West Regional Development Agency grants.

Reserves policy

The Foundation believes that it is appropriate to maintain a reserve of unrestricted funds in order to ensure:

- The smooth operation of the Foundation in the event of long-term illness of a member of staff
- The continuation of activities in the short term if sources of flow-through grant-making ceased or diminished
- The financing of obligations, residual liabilities and redundancies should the Foundation cease to operate

To this end the Foundation has retained a sum of £60,000 in a designated reserve fund which represents six months of core administration and management costs.

The financial position of the Foundation is reviewed on a regular basis by Trustees informally and by the Management & Governance Committee which reports to the full Board of Trustees on a quarterly basis. The level of financial reserves in the designated fund will be adjusted appropriately. It is planned to increase this reserve as the scale of operation of the Foundation grows. Unrestricted funds, which are the free reserves of the charity, amounted to £132,563 at 31 March 2009 (2007/08: £111,957). Within this total undesignated funds amount to £68,390 (see note 12 to the accounts).

Devon Community Foundation

Trustees' Report (continued)

Year ended 31 March 2009

FINANCIAL REVIEW:

Risk management

The Trustees reviewed the major risks to which the charity is exposed. The need for ongoing work in this area has been identified and is current as this report is written. Nevertheless, the Trustees are confident that review systems have been established to mitigate identified risks. As part of the Foundation's management of risk, Mr Chris Hill, a Chartered Accountant, continued to serve on the board.

Comments on the Accounts

The Foundation has received income in the period totalling £1,411,089 of which £710,742 represents restricted funds for grant making and administration and £620,699 represents endowment growth. It also benefits from a grant from the South West Regional Development Agency (SWERDA), which was made to the seven Community Foundations in the region with the aim of bringing them all up to a common standard of delivery – a standard which Devon Community Foundation was the first to reach. Devon received a total of £9,723 in 2008-2009 which has been used to provide training, fund events and develop collaborative working in the South West Community Foundations.

The three year grant from the Big Lottery BASIS programme, which was awarded in December 2007, was applied for by the Community Foundation Network on behalf of the seven Community Foundations in the South West region. The grant provides core funding for fund development work and carries with it a challenge to raise an aggregate of £7 million in endowed funds across the region: £1m per Foundation, over the three year life of the grant. The quarterly reports submitted have demonstrated that the Foundation is on target to achieve this challenge.

In July 2008 the charity was successful in its bid to manage the three Grassroots Grants contracts across Devon. In addition to a programme of grant funding for small voluntary and community groups, Grassroots Grants carries a £1.1m challenge to raise endowment funds. The purpose is to increase the donor base and to encourage philanthropy in the County in order to provide a perpetual source of income from which to make grants to support the local voluntary community. Accordingly the charity has significantly increased its fund development activity with support from the SWERDA and BASIS grants described above.

It is confirmed that the accounts comply with current statutory requirements, with the Statement of Recommended Practice for charity accounting and with the requirements of the Memorandum and Articles of Association.

Auditors

Francis Clark has indicated their willingness to continue in office and a resolution to re-appoint them was approved at the Annual General Meeting held on 29 April 2009.

Devon Community Foundation Trustees' Report (continued)

Year ended 31 March 2009

Principal Funding Sources

Principal sources of income in 2008-2009 were:

- Office for the Third Sector (Grassroots)
- Exeter City Council (Exeter Positive Steps)
- Devon County Council
- Comic Relief (Sport Relief)
- South West Regional Development Agency
- Viscount Amory's Charitable Trust
- Anonymous donor
- Wales & West Utilities
- Clare Milne Trust

These funds have provided income to support the Foundation's grant-making activity and associated management fees have supported the Foundation's core costs. Publicity for grants made has helped to raise the profile of the Foundation in the local community. In relation to fund development, grants have been secured from the Big Lottery BASIS programme, Viscount Amory's Charitable Trust and from private donors.

PLANS FOR FUTURE PERIODS:

In the report last year the Trustees recorded that the Local Network Fund for Children and Young People and two European Social Fund Objective 3 Global Grants programmes were due to come to an end. That had been a source of concern. However, the bid to manage the Grassroots Programme was successful and this secures the core activity of the charity until 31 March 2011.

Applications to manage other funds are being negotiated on behalf of the charity by the Community Foundation Network (CFN). The quality accreditation achieved in 2006 enables the CFN to proceed with confidence that Community Foundations can deliver a high standard of service to donors and funders. In the next eighteen months it is expected that the quality accreditation will be renewed.

Work will continue on the transfer of dormant and inactive trusts.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS:

The Foundation currently has no funds which are held as Custodian Trustee on behalf of others.

**Devon Community Foundation
Trustees' Report (continued)**

Year ended 31 March 2009

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Directors, who are the same as the Trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the excess of income over expenditure for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By Order of the Board

.....
Bond Law Secretaries Ltd
C/O Bond Pearce
Ballard House
West Hoe Road
Plymouth
PL1 3AE

.....
Date

Devon Community Foundation

Independent Auditors' Report to the Trustees

Year ended 31 March 2009

We have audited the financial statements of Devon Community Foundation for the year ended 31 March 2009, which comprise the Statement of Financial Activities, the Balance Sheet, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 and the charity's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Trustees and auditors

As described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement,

Devon Community Foundation
Independent Auditors' Report to the Trustees (continued)

Year ended 31 March 2009

whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Francis Clark
Chartered Accountants
FRANCIS CLARK
EXETER

Devon Community Foundation

Statement of Financial Activities

For the year ended 31 March 2009

	Note	Unrestricted funds £ Note 12	Restricted funds £ Note 13	Endowment funds £ Note 14	Total year ended 31 March 2009 £	Total year ended 31 March 2008 £
Incoming Resources						
From generated funds						
Voluntary income						
Donations & Gifts		980	10,675	248,080	259,735	93,003
Income Tax refunded		158	156	15,146	15,460	-
Investment Income		76	-	2	78	-
Interest receivable		12,637	15,127	-	27,764	25,921
Other income		697	-	-	697	-
From charitable activities						
Grants		65,100	684,784	357,471	1,107,356	1,339,516
Total incoming resources		79,648	710,742	620,699	1,411,089	1,458,440
Resources Expended						
Cost of Generating Funds						
Voluntary income	3	-	45,140	-	45,140	21,486
Charitable Activities						
Grants payable	17	-	548,170	-	548,170	1,229,562
Grants returned to funder		-	12,480	-	12,480	23,206
Administration of grant making activities	4	54,982	104,598	-	159,580	179,749
Governance Costs	5	4,060	3,754	-	7,814	5,491
Total resources expended		59,042	714,142	-	773,184	1,459,494
Net incoming/(outgoing) resources for the year						
Transfer between funds	13	20,606	(3,400)	620,699	637,905	(1,054)
		-	(22,500)	22,500	-	-
Other recognised gains and losses:						
Unrealised loss on investments		-	-	(546)	(546)	(177)
Net movement in funds		20,606	(25,900)	642,653	637,359	(1,231)
Fund balances brought forward		111,957	138,160	180,355	430,472	431,703
Fund balances carried forward		132,563	112,260	823,008	1,067,831	430,472

All the above activities are continuing

Devon Community Foundation

Income and Expenditure Account

For the year ended 31 March 2009

	Year ended 2009 £	Year ended 2008 £
Income	1,383,325	1,432,519
Expenditure	(773,184)	(1,459,494)
Operating surplus	<u>610,141</u>	<u>-26,975</u>
Interest receivable	27,764	25,921
Surplus on ordinary activities	<u>637,905</u>	<u>(1,054)</u>

Statement of Total Recognised Gains and Losses

For the year ended 31 March 2009

Surplus on ordinary activities	637,905	(1,054)
Unrealised loss on investments	(546)	(177)
Total gains and losses recognised	<u>637,359</u>	<u>(1,231)</u>

Devon Community Foundation

Balance Sheet

31 March 2009

	Note	£	2009 £	£	2008 £
Fixed Assets					
Tangible fixed assets	6		509		1,882
Investments	7		1,442		1,988
			<u>1,951</u>		<u>3,870</u>
Current Assets					
Debtors:					
	8	156,267		16,320	
Cash at bank and in hand	9	917,328		421,393	
		<u>1,073,595</u>		<u>437,713</u>	
Creditors:					
Amounts falling due within one year	10	<u>(7,715)</u>		<u>(11,111)</u>	
Net current assets			1,065,880		426,602
Net assets	15		<u>1,067,831</u>		<u>430,472</u>
The funds of the charity					
Endowment funds	14		823,008		180,355
Restricted funds	13		112,260		138,160
Unrestricted funds	12		132,563		111,957
Total charity funds	11		<u>1,067,831</u>		<u>430,472</u>

These financial statements were approved by the board of Trustees on

and were signed on their behalf by

Devon Community Foundation

Cash Flow Statement

For the year ended 31 March 2009

	Year ended 2009 £	Year ended 2008 £
Net Cash inflow/(outflow) from operating activities		
(Note below)	468,171	(208,528)
Returns on investments and servicing of finance		
Interest receivable	27,764	25,921
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	-	(1,527)
Increase/(decrease) in cash in the year	495,935	(184,134)
Net cash resources at 1 April 2008	421,393	605,527
Net cash resources at 31 March 2009	917,328	421,393

Note

Net cash inflow/(outflow) from operating activities		
Net movement in funds for the year	637,359	(1,231)
Investment income	(27,764)	(25,921)
Unrealised loss/(gain) on investments	546	177
Depreciation	1,373	2,467
Decrease in creditors	(1,938)	(9,030)
(Decrease)/ increase in grants payable	(1,458)	(250,037)
Decrease/ (increase) in debtors	(139,947)	75,047
Net cash inflow/(outflow) from operating activities	468,171	(208,528)

Devon Community Foundation

Notes to the accounts

Year ended 31 March 2009

1. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

Incoming resources

Donations are included on a cash received basis.

Grants received are credited to revenue at the time the charity becomes entitled to the income. Where a corresponding obligation to make a grant arises, provision is made at the same time. Grants are allocated to restricted funds where the donor has specified a particular purpose for the grant.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. Grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

Costs of generating funds are those associated with generating voluntary income.

Charitable expenditure comprises those costs incurred by the charity in carrying out its grant-making activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

Expenditure is allocated between the above headings in the Statement of Financial Activities on a direct basis apart from staff costs, which are allocated based upon the amount of time staff work on each area.

Taxation

Devon Community Foundation has charitable status and uses its funds for charitable purposes. Therefore, no taxation is included in these financial statements. The charity is not registered for Value Added Tax, and expenditure therefore includes VAT where appropriate.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised, and are included at cost. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer and office equipment - straight line over 3 years.

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

Funds

- Unrestricted funds represent incoming resources receivable or generated for the objects of the charity without further specific purpose and are available for use at the discretion of the Trustees (see note 12).
- The charity has a number of restricted funds to account for situations where a donor or grant-making body requires that a donation or grant must be spent on a particular purpose (see note 13).
- Permanent endowment funds represent funds where there is no power to convert capital into income (see note 14).

2. Staff numbers and costs

The Foundation had eight (2008: twelve) employees during the year. Some posts were covered by temporary staff in the short term and the overall establishment is now five and a half full time equivalent members of staff. The total emoluments for these employees were:-

	Total year ended 2009	Total year ended 2008
	£	£
Salaries	126,722	148,741
Employer's national insurance	8,635	12,032
	<u>135,357</u>	<u>160,773</u>

There were no employees with emoluments above £60,000

3. Cost of generating voluntary income

	Restricted Funds	Total year ended 2009	Total year ended 2008
	£	£	£
Office & stationery costs	1,109	1,109	-
Publicity	5,306	5,306	-
Staff costs	35,576	35,576	19,266
Training	472	472	196
Travel	1,526	1,526	1,406
Sundries	1,152	1,152	371
Depreciation	-	-	247
	<u>45,140</u>	<u>45,140</u>	<u>21,486</u>

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

4. Administration costs of grant making activities

	Unrestricted Funds	Restricted Funds	Total year ended 2009	Total year ended 2008
	£	£	£	£
Staff costs	39,877	73,940	113,817	139,601
Travel	301	1,340	1,641	5,695
Staff training	689	459	1,148	1,256
Recruitment	2,549	58	2,607	-
Outreach	-	11,232	11,232	-
Publicity	-	610	610	3,956
Events	-	119	119	-
Telephone and office costs	3,946	6,384	10,330	6,437
Postage and stationery	440	5,338	5,778	4,590
Legal and professional	6,428	3,898	10,326	13,409
Panel and meeting costs	136	-	136	2,320
Sundries	108	355	463	265
Depreciation	508	865	1,373	2,220
	<u>54,982</u>	<u>104,598</u>	<u>159,580</u>	<u>179,749</u>

5. Governance Costs

	Unrestricted Funds	Restricted Funds	Total year ended 2009	Total year ended 2008
	£	£	£	£
Staff costs	1,964	-	1,964	1,907
Trustees' training	852	1,500	2,352	-
Trustees' expenses	681	-	681	764
Audit	563	2,254	2,817	2,820
	<u>4,060</u>	<u>3,754</u>	<u>7,814</u>	<u>5,491</u>

Jacqui Melville, the wife of Tony Melville, a trustee, worked with the Foundation as an administrator in January 2008 and earned £1,507 on a temporary contract which expired in June 2008.

Trustees received no remuneration (2008: £nil). During the year ended 31 March 2009, the Foundation paid Trustees' indemnity insurance of £2,205 (2008: £1,769), and Trustees were reimbursed meeting cost expenses amounting to £681 (2008:£1,914)

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

6. Tangible fixed assets

Computer and office equipment

	£
Cost	
At beginning of year	16,116
Additions	-
Less disposals	-
At end of year	<u>16,116</u>
Depreciation	
At beginning of year	14,234
Charge for year	1,373
Less disposals	-
At end of year	<u>15,607</u>
Net book value	
At 31 March 2009	<u><u>509</u></u>
At 31 March 2008	<u><u>1,882</u></u>

7. Investments

	Endowment	2009	2008
	£	£	£
Market value			
At 1 April 2008	1,988	1,988	2,165
Unrealised loss on investments	(546)	(546)	(177)
At 31 March 2009	<u>1,442</u>	<u>1,442</u>	<u>1,988</u>

All investments held are income shares with COIF (Charities Investment Fund), and are investment assets in the UK.

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

8. Debtors: amounts due to be received within one year:

	Total year ended 2009 £	Total year ended 2008 £
Invoice due	-	613
Gift Aid on 2008-09 Donations	4,336	-
Outstanding claims due	151,704	15,707
South West Regional Development Agency	227	-
	<u>156,267</u>	<u>16,320</u>

9. Cash at bank and in hand

	2009 £	2008 £
Revenue accounts:		
Barclays Bank Account	93,291	86,217
LNF Barclays Account	5,844	4,291
DCF t/as Arbuthnot Latham Fund	2,544	2,499
Barclays Fixed Rate Bond	150,000	150,000
Endowment accounts:		
CafCash Bank Account	383,268	8,371
Arbuthnot Latham Deposit	100,000	-
CAF Fixed Rate - Birmingham Midshires	182,366	170,000
Petty Cash:	15	15
	<u>917,328</u>	<u>421,393</u>

10. Creditors: amounts falling due within one year

	2009 £	2008 £
Grants payable	-	1,458
Accruals	7,715	9,653
	<u>7,715</u>	<u>11,111</u>

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

11. Reserves

Income and Expenditure account

	£
At 1 April 2008	430,472
Surplus for the year	637,359
	<u>1,067,831</u>

12. Unrestricted funds

	General Fund £	Designated Reserve Fund £	Designated "Do it for Devon" £	Total 2009 £
Fund balances brought forward	57,800	50,000	4,157	111,957
Incoming resources	79,632	-	16	79,648
Outgoing resources	(59,042)	-	-	(59,042)
Transfer between funds	(10,000)	10,000	-	-
Fund balances carried forward	<u>68,390</u>	<u>60,000</u>	<u>4,173</u>	<u>132,563</u>

The Designated Reserve Fund has been increased by £10,000 to £60,000; a) to ensure the smooth operation of the Foundation in the event of long-term illness of a member of staff and, b) the continuation of activities in the short-term if sources of grant making income ceased or diminished and should redundancy payments become necessary.

13. Restricted funds	Brought Forward £	Incoming resources £	Expenditure and transfers £	31 March 2009 £
Devon Grassroots Grants	-	340,354	339,071	1,283
Plymouth Grassroots Grants	-	127,847	127,757	90
Torbay Grassroots Grants	-	66,378	66,148	230
Local Network Fund	985	41,170	42,155	-
Sport Relief	28,548	-	28,548	-
Exeter Positive Steps-part ESF	40,907	30,053	18,759	52,201
Devon Step Up Fund - ESF	-	6,092	6,092	-
Donor Advised	-	35,000	35,000	-
North Devon Relief Fund	-	3,801	800	3,001
Clare Milne Trust Fund	-	4,500	3,000	1,500
Wales & West Utilities	-	2,250	2,000	250
Small Grant Programme	1,227	4,938	4,045	2,120
Rural Fund	1,755	5,639	6,250	1,144
Mildmay White Family Fund	-	449	-	449
Ray Miles Fund	-	282	-	282
South West Regional Development Development Fund	2,313	9,723	12,036	-
	36,408	31,756	22,482	45,682
Friends of the Foundation	3,517	510	-	4,027
AIM Foundation Match	22,500	-	22,500	-
	<u>138,160</u>	<u>710,742</u>	<u>736,642</u>	<u>112,260</u>

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

13. Restricted funds (continued)

Administration and Governance costs amounting to £108,352 were charged to restricted funds, representing the portion of costs funded by the Local Network Fund (£29,675), Exeter Positive Steps Fund (£5,769) Devon Step Up Fund (£6,092) and Grassroots Devon, Plymouth and Torbay combined (£66,816).

Grassroots Grants is an Office of the Third Sector programme managed by the Community Development Foundation. The Foundation operates funds separately for the three top tier Local Authority Areas; Devon, Plymouth and Torbay. Grants of between £250 and £5,000 are available to established small voluntary/community groups. The programme will run until March 2011. Interest of £1,283 for Devon, £90 for Plymouth and £230 for Torbay is carried forward to be added to the grant allocation for 2009-10.

The **Local Network Fund** grant from the Department for Children, Schools and Families supported projects for disadvantaged children and young people. The programme ceased on 31 March 2008 and the residual funds were used to finish any administrative work remaining until 31 July 2008

Sport Relief Grants are for organisations in Devon using sport to tackle social exclusion. This programme was part of Comic Relief and finished on 31 December 2008.

The **Exeter Positive Steps** Fund and **Devon Step Up** Fund were European Social Fund Objective 3 Global Grants programmes for projects based in Exeter and the rural districts of Devon, respectively, which offer unemployed people the opportunity to become involved in projects to help them on the road to work. ESF support for both of these programmes ended in June 2008 and the residual funds were used to complete the evaluation and administrative work. However Exeter City Council, Friends Provident and a private donor have contributed new funds to ensure that the programme will continue in Exeter over the next two years and £52,201 is carried forward for grant making. **Donor advised** grants of £35,000 were also awarded in 2008-09 to projects in Exeter.

Assets from the former North Devon and West Somerset Flood Relief Fund were transferred proportionately to Devon Community Foundation and Somerset Community Foundation in May 2008. £120,180 is now held as permanent endowment and the yield from the fund is available to the **North Devon Relief Fund** for grants to groups in North Devon. The restricted fund shows that £3,001 is carried forward 2009-10.

The **Clare Milne Trust Fund** awarded £4,500 to the Foundation in September 2008 to distribute as small grants to groups working locally with people who have a disability. £1,500 is carried forward to 2009-10. **Wales & West Utilities** donated £2,250 for distribution as small grants and had also contributed to the Endowment Fund. £250 is carried forward to 2009-10.

The **Small Grants and Rural Fund** grant programmes are funded through the interest received from the endowment capital. £2,120 and £1,144 respectively are carried forward to 2009-10.

The **Mildmay White Family** and **Ray Miles Funds** have been created this year as named Funds held in the endowment fund. The interest from these funds will be available for grant making in 2009-10 and the fundholders may advise the Foundation on the grants to be awarded.

Grants totalling £9,723 were received through a **South West Regional Development Agency** programme to develop the Foundation. This programme finished on 30 June 2009.

Grants were received from private donors specifically to support the work of the Development Manager and Director on strategies to help build the Foundation's endowment funds. In addition a Big Lottery Basis grant of £21,756 a year, for three years, helps with the development costs. The Basis programme also supports the other six community foundations in the South West.

In 2007-08 the **Aim** Foundation awarded a total grant of £50,000 of which £25,000 was restricted to match donations to the Endowment Fund. £22,500 was brought forward at the beginning of 2008-09 and this has now been transferred to the Endowment Fund.

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

14. Endowment Funds

	1 April 2008 £	Incoming Resources £	Unrealised loss on investment £	Transfer from restricted fund £	31 March 2009 £
Permanent endowment	180,355	620,699	(546)	22,500	823,008

The Permanent Endowment Fund includes:

Rural Fund	121,221	1,047	-	-	122,268
General Fund *	57,146	21,281	-	22,500	100,927
Grassroots Devon *	-	296,112	-	-	296,112
Grassroots Plymouth *	-	118,563	-	-	118,563
Grassroots Torbay	-	52,690	-	-	52,690
North Devon Relief	-	120,180	-	-	120,180
Tiverton Religious Instruction Fund	-	10,826	-	-	10,826
Investment shares to support administration	1,988	-	(546)	-	1,442
	180,355	620,699	(546)	22,500	823,008

*The General and Grassroots Funds include elements of the following named funds: the Devonian Fund; Mildmay White Family Fund; Ray Miles Fund; Laurie Connor Memorial Fund; South West Water Fund; Royal Mail Fund.

During 2008-2009 new named funds were created as a result of donations to the Endowment Fund.

A named fund must have a minimum value of £25,000. The donor may advise the Foundation about the allocation of grants made from the interest earned on the fund.

The Tiverton Religious Instruction Fund was transferred to the Foundation from Devon County Council as a restricted endowed fund on 3 February 2009.

15. Analysis of net assets between funds

	Tangible Assets £	Investments £	Net Current Assets £	Total £
Restricted funds	509	-	111,751	112,260
Endowment funds	-	1,442	821,566	823,008
Unrestricted funds	-	-	132,563	132,563
	509	1,442	1,065,880	1,067,831

16. Capital commitments

There were no capital commitments at the year end.

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

17. Grants Paid

In 2008-09 the Foundation made grants totalling £548,170 to 252 projects. The average grant was £2,175

Exeter Positive Steps

Ivy Project	£4,998	
EDP Drug & Alcohol Services	£4,992	
St Petrock's (Exeter) Ltd	<u>£3,000</u>	£12,990

Exeter Positive Steps Donor Advised Grants

Ivy Project	£5,000	
EDP Drug & Alcohol Services	£10,000	
Exeter Community Initiatives	£10,000	
St Petrock's (Exeter) Ltd	<u>£10,000</u>	£35,000

Devon Grassroots

1st Ilfracombe Scout Group	£5,000
Axmouth Playground	£5,000
Bubbly Project	£5,000
Committee for Uplyme Playground	£5,000
Dunsford Preschool	£5,000
Jubilee Hall, Chagford	£5,000
Newton Abbot Rent Deposit Scheme	£5,000
Organic Arts	£5,000
Roborough Village Hall	£5,000
Samaritans (North Devon & North Cornwall)	£5,000
Tale Valley Trust	£5,000
Uptonery Playing Fields	£5,000
Lympstone @ Play	£4,995
Exwick Community Association	£4,990
Soundart Radio Limited	£4,955
Countess Wear Community Association	£4,950
Age Concern Okehampton	£4,940
Exmouth Ceramic Group	£4,868
Cycle Coaching SW	£4,575
Creative Family Workshop	£4,410
1st Beer Scout Group	£4,364
1st Lympstone Scouts	£4,272
Bideford & District Sea Cadets	£4,000
Bishopsteignton Community Centre	£4,000
Offwell Village Hall Charity	£4,000
X-Plore Youth Group	£4,000
Bigbury Memorial Hall	£3,765
Taw Explorer Scouts	£3,750
Bucks Cross Village Hall	£3,500
Friends Of Devon Portage South	£3,500
Soundwaves	£3,500
Playback	£3,470
Witheridge Parich Hall	£3,320
Combe Valley Allotments	£3,250

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

17. Grants paid Devon Grassroots (continued) -

Broadmeadow Badminton	£3,000
Kilminster Pre-School	£3,000
North Tawton Youth & Community	£3,000
Sidmouth & District Dyslexia Association	£3,000
Sticklepath Village Hall	£3,000
Sidmouth Town Junior Vikings	£2,826
Ugborough Village Hall (Wall)	£2,800
Bampton Players	£2,793
Bishops Nympton Parish Hall	£2,500
Cruse Bereavement Care (Exeter)	£2,500
Hatherleigh Area Youth Project	£2,500
Kings Nympton Parish Hall Committee	£2,500
Mid Devon Youth Games Voluntary Group	£2,500
Trans -end Ltd Trust	£2,500
Halwill After Schools Club	£2,258
Exmouth & Budleigh Salterton Explorer Scouts	£2,083
St Giles on the Heath Coronation Hall	£2,052
Age Concern Ilfracombe & District	£2,000
Bideford Buzz Newsletter Group	£2,000
Bideford, Littleham & Westward Ho! Cricket Club	£2,000
Chittlehamholt Village Hall	£2,000
Friends of the Wharf	£2,000
Green Force SW CIC	£2,000
Mamhead Village Hall	£2,000
Merry Go Round Toy Library	£2,000
Monkokehampton Village Hall Management	£2,000
Okehampton & District Duke of Edinburgh	£2,000
Stoke Fleming Cricket Club	£2,000
Teignmouth Ladies Hockey Club	£2,000
Cullompton Rangers FC	£1,867
Green Lane Herb Link	£1,867
1st Lym Valley Scout Group	£1,750
Teignmouth District Guides	£1,700
Tavistock & District Outdoor Education Forum	£1,600
Ivybridge Cricket Club	£1,576
Axminster Town Cricket Club	£1,520
Honiton Twirl Stars	£1,500
Newton & Noss Network	£1,500
Parkham Spinners Majorettes	£1,500
Rockbeare Village Hall	£1,500
Smeathorpe Allotments	£1,500
Tiverton Town Majorettes	£1,500
Buckland Brewer Under 5's	£1,468
Chittlehampton & District Playgroup	£1,430
Loddiswell Village hall	£1,300
Exminster Youth Project	£1,250
Low Carbon Exeter	£1,215
2nd Bideford Scout Group	£1,000
Appledore Maritime Players	£1,000
Bishopsteignton Halls Foundation	£1,000
Bovey Climate Action	£1,000
Brayford Boomerangs	£1,000

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

17. Grants paid Devon Grassroots (continued) -

Chagford Education & Leisure Trust (CELT)	£1,000
Cheriton Fitzpaine Welcome Club	£1,000
Clyst Hydon Sports Club	£1,000
Exeter District Woodcraft Folk	£1,000
Ifracombe Youth Canoe Club	£1,000
Ladysmith Community Action Team	£1,000
Okehampton Squash Club	£1,000
Sid Vale Sharks Swimming Club	£1,000
Sidmouth Patchers & Quilters	£1,000
St John Ambulance Cadets (Tiverton)	£1,000
Swimbridge Jubilee Hall	£1,000
The Anglo-Polish Organisation	£1,000
Honiton 729 Gateway Club	£1,000
Tipton St John Tennis Club	£1,000
Trees For Health	£1,000
Yarcombe Jubilee Hall	£1,000
Thirty Nine grants under £1,000	<u>£22,472</u>

£291,201

Plymouth Grassroots

Tamar Grow Local CIC	£5,000
Scout-A-Long	£5,000
Plymouth Deaf Childrens Society	£5,000
Wheels on Water	£5,000
Power Pack	£5,000
Simply Counselling	£5,000
Cattewater Pilot Gig Club	£5,000
Amber Initiatives	£5,000
Keyham Methodist Community Centre	£4,967
Plymouth Amateur Rowing Club	£4,938
Friends & Families Of Special Children	£4,900
Creative Wellbeing	£4,890
Friends of Longcause	£4,592
Plymouth Kurdish Community	£4,395
Tamerton Young Leisure Group	£4,000
St John's Church Hall Management Committee	£3,750
Stoke Youth & Community Centre	£3,450
About Time	£3,438
Plym Ramblers	£3,001
All Stars Theatre Group	£3,000
Plymouth Youth Playball	£2,500
Stoke Damerel Parish Centre	£2,200
Onward Community Group	£2,000
Railway Beacon Youth Football Club	£1,666
St Budeaux Mental Health Community Group	£1,530
Keyclub	£1,400
Onward Community Group	£1,056
Cruse Bereavement Care Plymouth	£1,000

Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

17. Grants paid Plymouth Grassroots (continued) -

Plymouth West Division Girl Guides	£1,000	
Laira United Kolts	£1,000	
Seven grants under £1,000	<u>£3,598</u>	£108,271

Torbay Grassroots

Kings Bowling Club	£5,000	
First Eye Productions	£5,000	
South Devon Cruse Bereavement	£5,000	
Lupton Trust	£4,938	
Torbay Sailability	£4,930	
26th Torbay Brixham Scout Group	£4,000	
Paignton Home Garden and Allotment Society	£3,750	
Brixham Buccaneers	£3,576	
Imagine (Torbay Multicultural Group)	£3,000	
Fighting Fit Disabled Sports Group	£2,330	
Pride in Brixham	£2,000	
Paignton Archery Club	£1,900	
Brixham Family Group	£1,724	
Brixham Young Volunteers	£1,420	
Paignton Home Garden and Allotment Society	£1,250	
Torquay Ministox club	£1,036	
Stoke Gabriel Cricket Club	£1,000	
Six grants under £1,000	<u>£4,211</u>	£56,065

Rural Fund

Fourteen Grants under £1,000	<u>£6,250</u>	£6,250
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Small Grant

Ten Grants under £1,000	<u>£4,045</u>	£4,045
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Wales & West Utilities Fund

Four Grants under £1,000	<u>£2,000</u>	£2,000
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Clare Milne Trust

Six grants under £1,000	<u>£3,000</u>	£3,000
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North Devon Relief Fund

Two Grants under £1,000	<u>£800</u>	£800
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Devon Community Foundation

Notes to the accounts (continued)

Year ended 31 March 2009

17. Grants paid (continued)

Sport Relief

Soundwaves	£4,788	
Freedom Social Projects	£4,500	
Swim Torquay Ltd	£4,500	
IDC Dance Company	£4,318	
North Devon Mental Health Users Forum	£3,500	
Upstream Healthy Living Centre	£3,000	
Carers UK, Plymouth Branch	£2,942	
Community Action (Exeter)	<u>£1,000</u>	
		£28,548
Total Grants Awarded 2008-09		<u>£548,170</u>