

ASSOCIATION OF CHARITABLE FOUNDATIONS



Trustees' Annual Report and Financial Statements

Year ended
31 December 2022



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PLEASE VISIT OUR WEBSITE:
WWW.ACF.ORG.UK

CHAIR AND CHIEF EXECUTIVE'S INTRODUCTION



Our members faced a turbulent year in 2022. The climate crisis caused major floods in Pakistan. The war in Ukraine killed thousands, forcing many to flee, and contributing to an increase in global inflation and a major energy crisis. People lost their lives in other environmental, health and conflict tragedies.

In the UK, there was an unprecedented heatwave and the cost of living crisis pushed struggling families further into poverty. Against this backdrop, the UK government faced a turnover of leaders, with three different prime ministers and chancellors in a period of less than two months. The passing of HM Queen Elizabeth II saddened the UK, bringing more change to an unsettled landscape. Throughout this tumultuous year, funders told us that many charities and communities are burdened with unprecedented levels of need at a time when foundations had already increased their spend in response to the Covid-19 pandemic.

In this context, 2022 has been a year of reflection for ACF. We completed our five-year strategy review and developed new objectives. ACF refreshed our purpose: to strengthen foundations to rise to the challenges of our times.

We also focused on the here and now – supporting foundations throughout the year. A special highlight was gathering for our first in-person conference in three years, appropriately with 'courage' as the theme for discussion. We brought members back together for our conference, and continued an online presence through our free thematic member networks throughout the year. These gatherings allow all members to attend, wherever they are based.

This was also a year of achievement for ACF. We celebrated the milestone of 100 funders signing up to the Funder Commitment on Climate Change. This initiative recognises that the growing climate emergency is a serious risk to charitable aims and pledges to take action to address it. We were pleased to see the Funders Collaborative Hub, forged in 2019 in the heat of the pandemic, become an essential part of the funder infrastructure. There are now more than 100 collaborations listed on its website. In March, we published our Becoming Stronger Foundations report, to demonstrate how members are using our Stronger Foundations framework of ambitious practice to develop their work.

Advancing diversity, equity and inclusion continued to be a priority for many of our members. ACF continues to review and strives to implement diversity in its own internal team.

Over the next five years, our new strategy will focus on our role as a membership association and how we can effect positive change with and for our members. Our vision is to have diverse, vibrant, and effective foundations, working together for social good and rising to the challenges of our time. To achieve this vision, it is essential that we continue to put members front and centre in all that we do.

Jessica Brown
Chair

Carol Mack OBE
Chief executive



OUR VISION IS TO HAVE DIVERSE, VIBRANT, AND EFFECTIVE FOUNDATIONS, WORKING TOGETHER FOR SOCIAL GOOD AND RISING TO THE CHALLENGES OF OUR TIME.

TRUSTEES' ANNUAL REPORT 2022

We are pleased to present our 2022 annual report and accounts. This demonstrates how we as trustees have stewarded the charity and its resources in delivering ACF's mission of supporting foundations to be ambitious and effective in the way they use their resources for social good.

2022 was a big year for us as we reviewed our strategy for the next five years, with the input and support of our members. Our last five year strategy ended in 2021. This annual report focuses on our previous objectives during this 'transition' year, namely: ACF supports, advocates, connects, inspires and thrives.

We began the year with a month-long open dialogue with members and other stakeholders including civil society organisations and infrastructure bodies. We wanted to better understand the challenges and opportunities that the future holds and the role that foundations and ACF play.

We heard that key challenges for foundations are addressing inequalities, the cost of living crisis and the ongoing impact of the pandemic.

Foundations also want ACF to respond to the climate crisis, act more on diversity, equity and inclusion (DEI) and work together on stronger grant-making and investment practice.

As a board we worked closely with the staff team to develop ACF's strategic response to what we heard, founded on the unique role that ACF has as a

membership association. We were grateful for the support of strategy consultants Eastside Primetimers throughout the process alongside Diversity and Ability who supported us to apply a DEI lens to our plans. After many conversations with members, we launched it in January 2023.

The new strategy builds on the previous one but focuses on the current challenges our members told us about, specifically around addressing inequalities, the cost of living crisis and the ongoing impact of the pandemic. ACF recognises the unique role it has as a membership association in supporting members to collectively rise to these challenges.

MEMBERS ALSO WANT ACF TO RESPOND TO THE CLIMATE CRISIS, ACT MORE ON DIVERSITY, EQUITY AND INCLUSION AND WORK TOGETHER ON STRONGER GRANT-MAKING AND INVESTMENT PRACTICE.

Rising to challenges

ACF will continue to challenge itself to deliver more for our members into 2023 and beyond. In this we will be guided by four new strategic objective:

- Supporting foundations to aspire to and achieve excellent practice through inspiring, practical and accessible learning and support
- Advancing diversity, equity and inclusion for our sector and ACF
- Strengthening connections across the sector and beyond
- Sustaining a landscape where foundations can continue to thrive.

The executive is developing an implementation plan to deliver these objectives over the next five years, and we expect to finalise this in September 2023. The plan will address the critical success factors we have identified, which include a compelling membership offer, our culture and approach, communication and impact, and ensuring that staff have the capacity, skills and knowledge to achieve our objectives.

Underpinning these in 2023 will be a workplan that prioritises actions to fulfil the new strategy over the next five years and ensures that staff have the tools, skills, proficiencies and clarity on roles to achieve our objectives.

Climate change

2022 saw unprecedented heatwaves and floods in the UK and globally. As trustees we are very much aware of our role in stewarding ACF and the foundation sector more broadly into the future. Our members told us that the impacts of climate change are a direct and indirect challenge for them as they pursue their purposes and support charities and communities affected by climate change.

ACF's main focus is the pioneering Funder Commitment on Climate Change, which we have hosted since 2020 and which this year reached the milestone of 100 signatories.

As a result of ACF's participation in international philanthropy infrastructure networks, this UK Commitment sparked similar national commitments in France, Spain, Italy and Canada and the development of an international commitment, #PhilanthropyForClimate, which now has 635 signatories worldwide.



THE UK FUNDER COMMITMENT ON CLIMATE CHANGE REACHED A MILESTONE OF

100
SIGNATORIES



Diversity, equity, inclusion

We recognise that there is a strong case for foundations to be more diverse, inclusive and effective in achieving equitable outcomes. Our new strategy has "diverse, vibrant and effective foundations, working together for social good" as our overall vision.

As outlined in our member-led Stronger Foundations initiative, foundations are well-placed to play a role in removing barriers and increasing access for communities that have been historically marginalised or underrepresented.

We are pleased to have a diverse board, elected by the membership, but recognise that we have some way to go before our staff team reflects the diversity of the UK. We are actively seeking to address this through our recruitment practice. This remains a work in progress.

As a board we have set up a working group of trustees to challenge and support the executive on ACF's DEI practice and implementation of our DEI policy. In developing our strategy we commissioned expert DEI consultants, Diversity and Ability, to ensure that our plans are both ambitious and practical.

Stronger practice

The introduction of our new customer relationship management (CRM) system in 2021 continues to offer opportunities for better interactions and communications with our members. During 2022 we've offered a more flexible mix of in-person and online events to suit our members' time and capacities. We seek to ensure our membership offer represents value for foundations, regardless of size, area of interest, and location in the UK.

Our trustee board has this year welcomed four new trustees, rooting our overview in the reality of foundations' day-to-day activity. We thank them for their generous contributions of their time and expertise to our work.

We would also like to thank our staff, our Official Partners (Cazenove, CCLA, Mercer and Ruffer) and most especially our members for everything they do to help ACF achieve its vision. Foundations and trusts embody the belief that things can be better; mobilising funding, resources and expertise to support people, communities, and a wide range of charitable causes. At their best, foundations are the most transparent, intentional and efficient way of transforming private wealth into public benefit.

ABOUT ACF

ACF is the membership body for foundations and grant-making charities based in the UK. Our purpose over the past five years has been to support foundations to be ambitious and effective in pursuit of social good, driven by a vision of a world that is supported, sustained and strengthened by the effective use of foundation resources.

OUR 2023-2027 VISION IS DIVERSE, VIBRANT, AND EFFECTIVE FOUNDATIONS, WORKING TOGETHER FOR SOCIAL GOOD

OUR VALUES CONTINUE TO BE THAT WE CARE, WE ARE OPEN, WE ARE EVIDENCE-BASED AND WE ARE AMBITIOUS

OUR PURPOSE IS TO STRENGTHEN TRUSTS AND FOUNDATIONS SO THEY CAN RISE TO THE CHALLENGES OF OUR TIMES

Over the next five years, our new strategy will build on this, retaining our core values but reframing our focus and activities to deliver a refreshed vision and purpose.

This report covers our work under our objectives for the past five years, which were:

- ACF supports foundations in achieving their charitable objectives
- ACF advocates on behalf of foundations for an enabling policy, legislative and operating environment
- ACF connects foundations to people, organisations, governments and movements relevant to their work
- ACF inspires foundations to be ambitious and effective in the way that they use their resources
- ACF thrives and is sustainable, supporting members over the longer term



SUPPORT FOUNDATIONS TO ASPIRE TO AND ACHIEVE EXCELLENT PRACTICE:

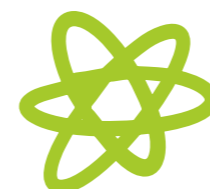
- Curate inspiring, practical and accessible learning and support
- Be the 'go to' place for advice and information tailored to foundations
- Share practical tools and resources to enable and empower Stronger Foundations¹

¹ Stronger Foundations is a flagship initiative to help charitable foundations identify and pursue excellent practice.



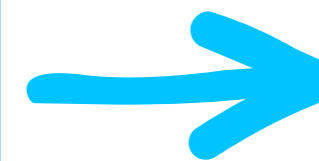
STRENGTHEN CONNECTIONS ACROSS AND BEYOND THE SECTOR

- Catalyse collaborations between foundations and with others to achieve greater impact
- Cultivate vibrant communities of practice and build brave spaces to share knowledge and ideas
- Seize and create opportunities to connect with partners to advance our common goals



SUSTAIN A LANDSCAPE WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

- Represent foundations and amplify their voices to influence policy and ensure a supportive legal and regulatory framework in the UK
- Share evidence and stories that demonstrate the positive impact of foundations
- Support the growth of the sector, including by advocating for the foundation model of philanthropy and the evolution of the sector



ADVANCE DIVERSITY, EQUITY AND INCLUSION FOR OUR SECTOR AND FOR ACF

- Build and sustain a diverse and inclusive membership
- Champion and celebrate practice which addresses systemic inequities
- Gather and share data to deepen our understanding of barriers to, and support progress towards, diversity, equity and inclusion

ACF is both a registered charity, registration number 1105412, and a company limited by guarantee incorporated on 27 July 2004 and registered in England and Wales, registration number 5190466. Its governing document is a Memorandum and Articles of Association and our registered office is Fourth Floor, 28 Commercial Street, London E1 6LS.

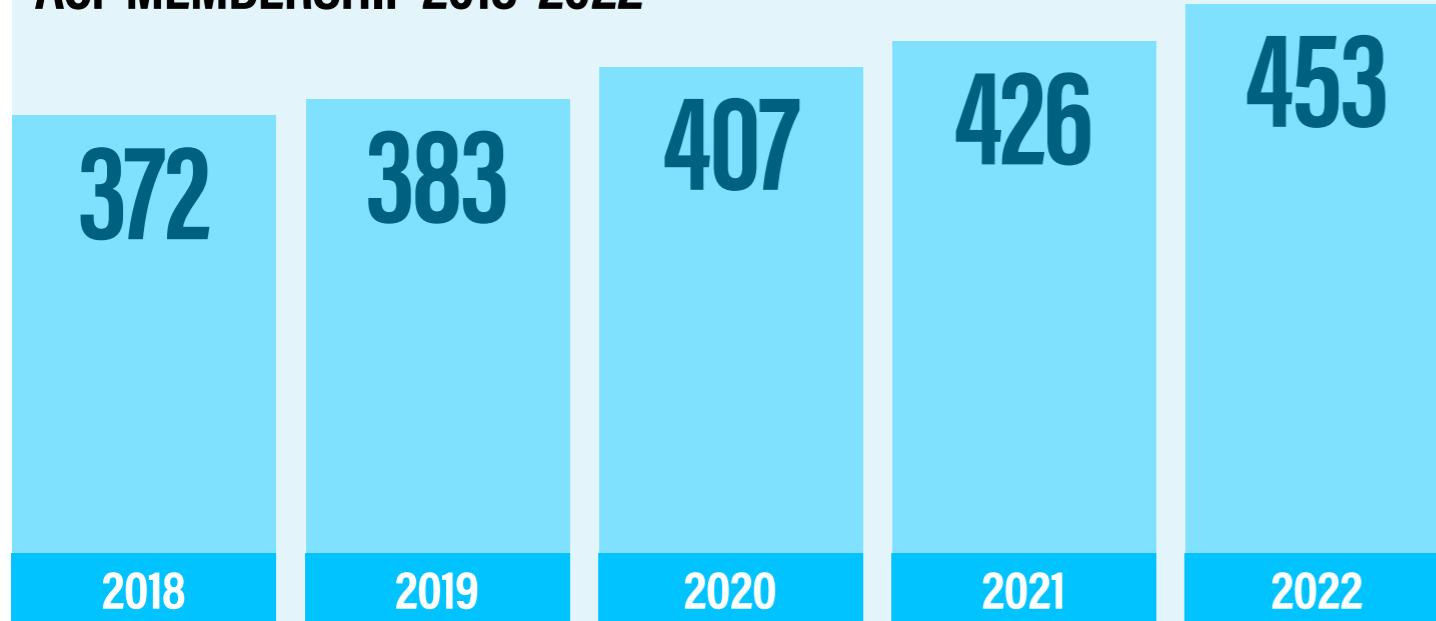
ACF has a wholly owned trading subsidiary, ACF Conferences and Seminars Limited. This is a company incorporated on 5 January 2000, registration number 3902450, and limited by a single share held by ACF. The directors of the trading company are listed at the end of this report.

ACF manages its commercial relationships which generate trading income via ACF Conferences and Seminars Ltd. This includes the Official

Partner Programme and commercial activities linked to the annual conference. The company has agreed a deed of covenant that obligates it to pass all its profits to the charity at the end of each financial year. The accounts that accompany this report show the consolidated financial information for ACF and ACF Conferences and Seminars Limited. The narrative in this report covers the operations of the charity and the subsidiary company.

ACF IN NUMBERS

ACF MEMBERSHIP 2018-2022



94%

Members renewed in 2022
(94% in 2021)

51

New members joined in 2022

83%

Of respondents to our February 2023 member survey said they would recommend ACF membership to other trusts and foundations

FUNDER COMMITMENT ON CLIMATE CHANGE

FUNDER COMMITMENT ON CLIMATE CHANGE

50

Signatories in December 2020

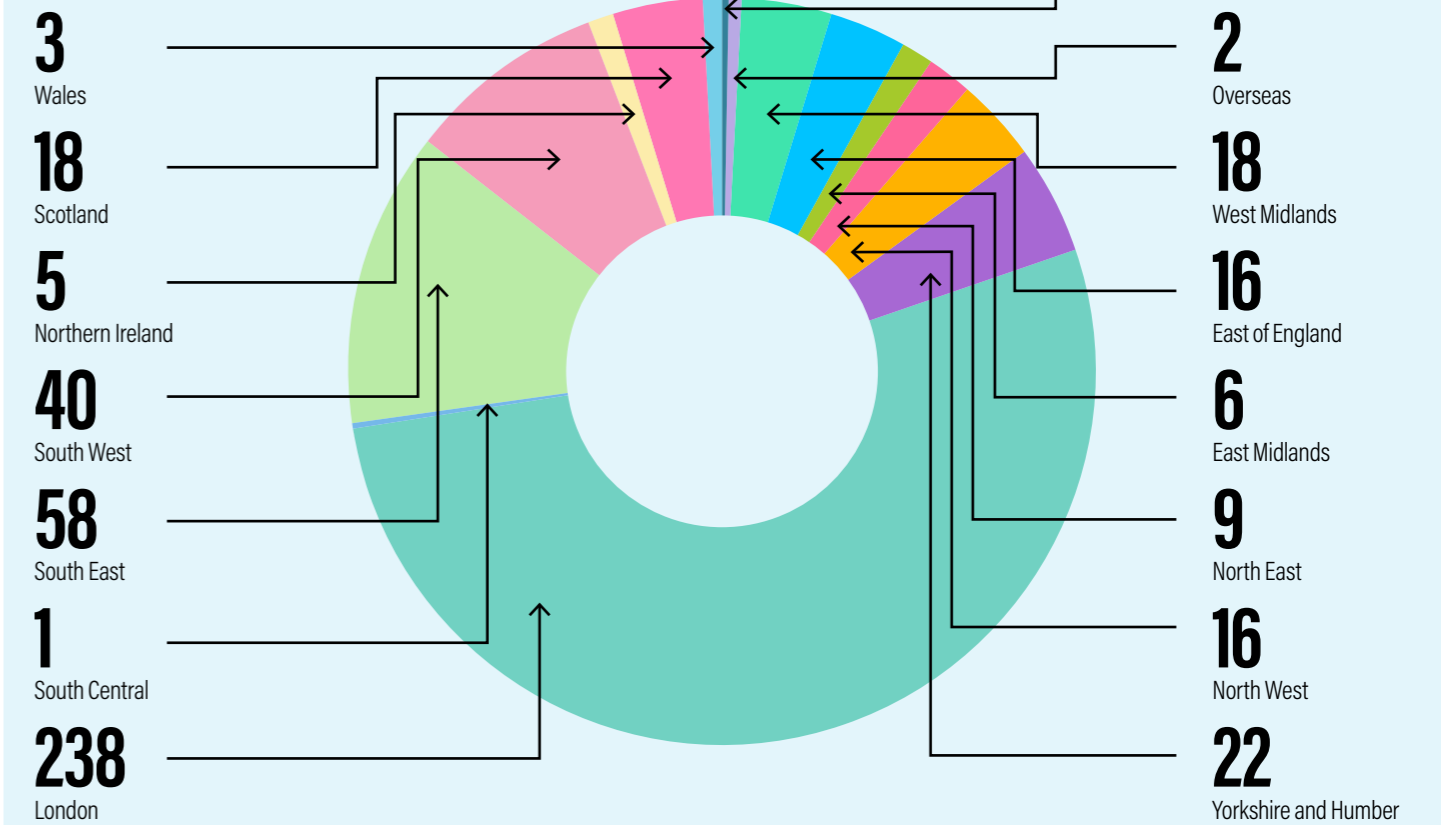
82

Signatories in December 2021

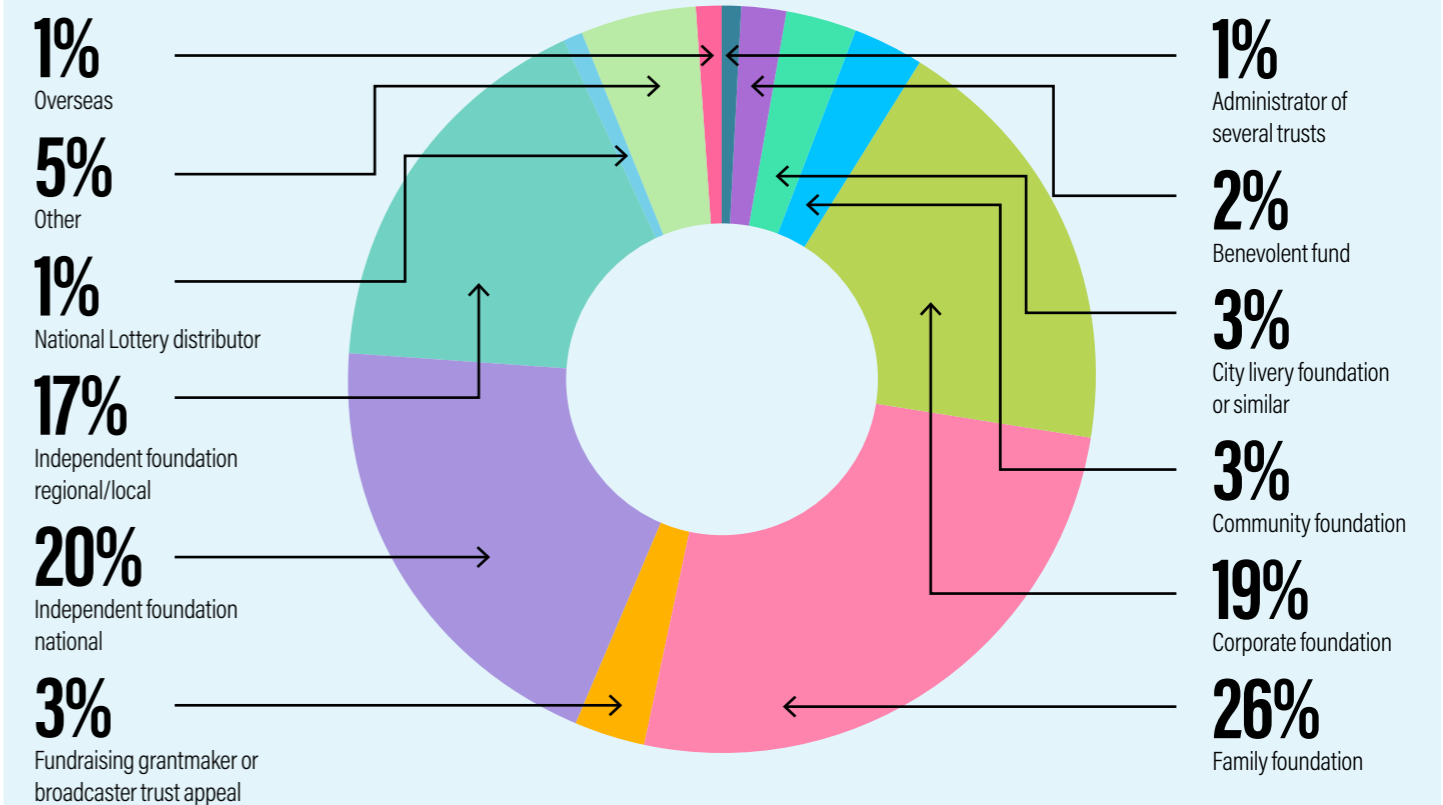
100

Signatories in December 2022

MEMBERS BY REGION 2022



MEMBERS BY FOUNDATION TYPE



ACF SUPPORTS

OUR NEW CONTENT MANAGEMENT SYSTEM, INTRODUCED IN 2021, WHICH INTEGRATES OUR WEBSITE, MEMBERSHIP INFORMATION, EVENTS BOOKING AND EMAILS INTO ONE SYSTEM, IS HELPING US ENGAGE MORE DIRECTLY WITH MEMBERS – AND ALSO PUTS MEMBERS IN CONTROL OF HOW THEY CAN INTERACT WITH ACF INDIVIDUALLY.

MEMBER ENGAGEMENT

We continue to develop our communications to ACF members and the wider foundation world. We published our magazine *Trust & Foundation News* three times this year, and sent out 12 monthly Funders' News newsletters, alongside regular events bulletins and newsletters to members of groups like the Members' Policy Forum and the Social Impact Investors Group. In 2023 we plan to improve our website to make it easier for users to find information, case studies and guidance.

Members can log in personally to book events, amend their personal details such as job titles, address or email, and change their preferences about what communications they want to receive and on what thematic topics.

Members can also upload job vacancies directly to our jobs board, subject to a quick internal approval process. This is the only dedicated jobs board for the UK foundation and grant-making sector and consistently one of ACF's most viewed webpages. The service is free for members. We piloted a new paid-for service for non-members between January and April 2023.

We have also been able to segment or target our communications to particularly foundations or individuals.

In our last member survey, 34% of respondents said that their foundation does not have the time or resources or capacity to engage with ACF services and programmes, so further improving our understanding of members and how we share relevant, targeted timely information really matters to delivering effective support.

Funders' News now delivered to

3,000+
INDIVIDUALS
(2,400 in 2021)

MEMBERS SURVEY, FEB 2023

Headline findings

143 responses

24% of respondents are in grant-making roles, 30% of respondents are CEO and 17% chair/trustee

76% of respondents felt connected, very connected or extremely connected to ACF

73% of respondents felt connected, very connected or extremely connected to other trusts and foundations

The most important benefits to respondents were:

Regular newsletters (eg Funders' News)

Training and learning events

Sector research eg *Foundation Giving Trends*, salary benchmarking survey

Trust & Foundation News (magazine)

Practical guidance eg Stronger Foundations pillars, safeguarding framework

ACF website 1 Jan – 31 Dec 2022:

422,000+
page views

Most viewed page – Jobs board

11,000+
views per month

Trust & Foundation News

32 foundations and funders featured in 2022 (33 in 2021)

LEARNING EVENTS

Our learning events support foundation staff and trustees to develop their understanding of excellent practice on the technical aspects of being a foundation, as well as create a space to consider the strategic decisions facing foundations today. Our events provide an opportunity for peer discussion and connections with leading practitioners working in the field. In 2022, ACF delivered 20 learning events both digitally and face to face. These included three of the four-session diversity, equity and inclusion (DEI) series, which started in 2021.

ENGAGING WITH CHAIRS OF FOUNDATION BOARDS

ACF organises an annual event exclusively for chairs of charitable trusts and foundations. These evenings are focused on engaging chairs in discussions around excellent practice and topical issues.

In 2022 the discussion focused on climate change. We know from our work with members that trustee boards are discussing the climate emergency and leading their organisation's thinking in this area. This event was a chance for chairs to hear about the risks for foundations from a changing climate (whatever their mission or size) and the linkages between the climate crisis and the cost of living crisis. It was also an opportunity for chairs to discuss how their foundations can adapt their work to help reduce emissions, and to help communities and partners adapt to the changing climate. We produced a members-only briefing after the evening for those unable to attend. The event also highlighted the UK Funder Commitment on Climate Change, which ACF hosts.

INVESTMENT LEARNING PROGRAMME

Our Investment learning programme provides members with expert insight and thought leadership on foundation investment, with a particular focus on areas of growing interest around responsible, sustainable and impact investment. During 2022 this work included:

- Facilitating the Social Impact Investors Group (SIIG) which supports foundations interested in starting or

currently undertaking social impact investing. Membership of SIIG grew to 44 during the year. Supported by an active steering group of members, SIIG delivered learning sessions and a series of popular market information days which are set to continue in 2023. In 2022 the process for joining SIIG was reviewed and formalised.

- Sharing the expertise of ACF's four Official Partners — Cazenove, CCLA, Mercer and Ruffer — through articles in ACF publications, our bi-annual investment seminars and at our annual conference
- Working with the Impact Investing Institute, Big Society Capital and the Charities Responsible Investment Network on a learning series on 'Impact Investing in the Main Endowment', launching in 2023.
- Continuing the Finance, Investment, Resources Management (FIRM) network for large foundations which saw regular communication between members, and formal meetings featuring speakers on tax, the Charities Statement of recommended practice (SORP) and other topics.

RESEARCH

When it comes to insights on the world of foundations, based on available quantitative data, ACF's *Foundation Giving Trends* series (FGT) is the only dedicated longitudinal study in the UK about the size and scale of philanthropically funded foundations, helping foundations understand their place in the sector, and readers to understand the place of this independent funding in the overall funding landscape. The *Foundation Giving Trends* series presents annual research and analysis on trends in the giving, spending, income and assets of the largest 300 (by value of grant-making) philanthropically funded foundations in the UK.

This year we have explored if we can get the data we need directly from the Charity Commission, based on annual returns. This has meant the production timetable has had to be extended to cross-check the data and resolve any consequent issues. As a result *Foundation Giving Trends* 2022 is now due to be published by summer 2023.

1,960

Number of individuals from our membership attending ACF events in 2022

296

Number of member organisations attending ACF events in 2022

20

Number of learning events in 2022

31

Number of non-member organisations attending ACF events in 2022

86

Number of member organisations attending 2022 DEI events

188

Number of individuals attending 2022 DEI events



ACF ADVOCATES

ON BEHALF OF AND WITH FOUNDATIONS FOR AN ENABLING POLICY, LEGISLATIVE AND REGULATORY ENVIRONMENT

ENGAGING WITH POLICY- MAKERS AND WIDER CIVIL SOCIETY

As a UK organisation, ACF works across the four nations. Our chief executive chairs the Wales Funders Forum, this year we attended the Northern Ireland Funders Forum annual conference and presented on the Funders Collaborative Hub at the conference of Scottish Grantmakers.

In autumn 2022 Rt Hon Stuart Andrew MP was appointed as the minister for civil society and made his inaugural speech to the charity sector at ACF's annual conference on 15 November.

In 2022 more than 150 foundation representatives attended Members' Policy Forum events connecting foundations with each other and decision-makers on key issues of thematic or technical policy. These included cybersecurity threats to foundations, inflation, and the implications of political turbulence and the change in prime ministers through the year.

Our chief executive has continued to meet regularly with leaders of other civil society infrastructure bodies, not least through the new Civil Society Group (CSG) which was formalised in 2021 and met regularly during 2022.

The Group now has its own website, and ACF chairs the CSG climate crisis group and participates in the Dismantling Racism group, the Policy group and the Regulation group.



Rt Hon Stuart Andrew MP

IN AUTUMN 2022 STUART ANDREW MP WAS APPOINTED AS THE MINISTER FOR CIVIL SOCIETY AND MADE HIS INAUGURAL SPEECH TO THE CHARITY SECTOR AT ACF'S ANNUAL CONFERENCE...

COST OF LIVING CRISIS

This year the cost of living crisis became a major challenge for foundations and trusts, as well as the communities and causes they support. Many foundations told us that, while perhaps concerned about falling income and asset values, they are acutely aware that the organisations and individuals they fund are feeling the impact of the current cost of living. Charities are seeing falling donations at a time when other income sources are under pressure; the real value of their income dropping against inflationary pressures of running their organisations; and finding need and demand on their services rising – for some, at unprecedented levels. In response ACF is offering guidance and resource links for funders, sharing examples of what funders are doing, and connecting to other activities in the wider foundation and civil society sector.

We convened conversations and events with members throughout the year to share how they were responding to the crisis, including an event on grant-making and the cost of living in October. Based on member input, we wrote an in-depth article about foundations' responses for *Charity Finance* magazine in December.

In September 2022, ACF joined forces with other infrastructure bodies to call for an urgent response by the government to the increasing cost of living. We play an active role in the Civil Society Group, a coalition of voluntary sector bodies, and added our voice to its November call on the Energy Secretary for continued support for the charity sector on energy bills. We welcomed the inclusion of charities in the government support package, although have raised concerns about the new Energy Bills Discount Scheme, which represents a reduction in long-term support for charities. We will continue to work with other infrastructure bodies on support for the causes and communities that so many of our members care about and were delighted to see additional funding for charities announced in the March 2023 budget.



IN SEPTEMBER 2022, ACF JOINED FORCES WITH OTHER INFRASTRUCTURE BODIES TO CALL FOR AN URGENT RESPONSE BY THE GOVERNMENT TO THE INCREASING COST OF LIVING.

CHARITY LAW AND REGULATION

ACF submitted a detailed response in spring 2021 to the consultation by the Charity Commission for England and Wales on its guidance to charities about investment (CC14). We welcomed the changes proposed but called for the Commission to avoid inadvertently presenting a 'false binary' between 'responsible investment' and financial return. In November 2022 we welcomed the new statement from the Charity Commission following the High Court judgment (*Butler-Sloss v Charity Commission*).

The judgment set out that trustees' primary and overarching duty is to further their charity's purposes and they have discretion to exclude investments which would potentially be in conflict with the charitable purposes. We are pleased that there will be a wider redesign of CC14, and will engage with the Commission and our members as the guidance is developed and tested.

We continue to represent foundations on the SORP Committee which sets the charity accounting framework in the UK.

In September 2022 we asked members about the consultation from the Charity Commission for England and Wales on proposed changes to the annual return required for most charities. In December 2022, we were pleased to see that the sector's views had been listened to for the new Annual Return, with the number of questions reduced.

In October 2022, ACF responded to the government consultation on the Dormant Assets Scheme in England which was seeking views on where this money should go. We strongly agreed that youth, financial inclusion and social investment should all continue to remain causes of the Scheme in the light of the pandemic and the cost of living crisis, and given our members' work across all these areas. As a member of the Community Wealth Fund Alliance, we also strongly supported the inclusion of community wealth funds as a cause of the Dormant Assets Scheme in England.



ACF CONNECTS

FOUNDATIONS TO PEOPLE, ORGANISATIONS, GOVERNMENTS AND MOVEMENTS RELEVANT TO THEIR WORK

NETWORKS

Our community and member networks are valued by our members.

In 2022 we welcomed a new network – Economic justice – and began preparations for a Family foundations network, increasing the number of ACF networks from 13 to 15. These networks are led by a team of volunteer convenors from within ACF membership. Six convenors came to the end of their terms during the year and we are grateful to new convenors for stepping forward.

ACF networks typically focus on areas of funding (eg children and young people, or criminal justice), type of organisation (eg smaller funders or family foundations) or elements of grant-making practice (eg evidence and learning or place based funding). These networks primarily meet online twice a year. Meetings usually last two hours and are free for our members to attend.

ACF also convened and administered three wider networks with their own steering groups:

- Foundations for Social Justice (formerly known as the Woburn Place Collaborative)
- Finance, investment, resources management group (FIRM)
- Social Impact Investors Group (SIIG)

2022 NETWORKS AT A GLANCE

Grant-making themes

- Asylum, refugee and migration
- Children and young people
- Criminal justice
- Economic justice
- Housing and homelessness
- Mental health
- Northern Ireland
- Tackling poverty
- Violence against women and girls (VAWG)

Aspects of being a funder

- Evidence and learning (formerly Monitoring and evaluation)
- Place based funding

Foundation type

- Corporate foundations
- Family foundations
- International funders
- Smaller funders

FUNDER COMMITMENT ON CLIMATE CHANGE (FCCC)

ACF has hosted the UK Funder Commitment on Climate Change since 2020. At the end of 2022 100 foundations had signed the Funder Commitment and made this public pledge to educate and learn about climate change; to commit resources to addressing the causes and impacts of climate change; to integrate climate change into existing programmes, priorities, and processes; to consider climate change in investment strategies; to decarbonise operations; and to annually report on progress.

We published the Year Two progress report in June 2022 detailing the progress that signatories were making.

We held four events focusing on climate in 2022, including two events in October ahead of the COP27 summit. Firstly, our annual event for chairs of foundations and trusts, focused on the risks that a changing climate poses to foundations and the work that they support. Speakers included the chief economist at the Climate Change Committee alongside the chair of Local Trust and former chair of Polden-Puckham Charitable Foundation. We produced a briefing for members summing up the key discussion points and signposting to the commitment for those thinking of signing. Our second event focused on climate justice and what is required now for a just transition, and was chaired by Nick Perks, who drafted the original Commitment in 2019 with input from members and ACF.



FUNDER NETWORK

ACF's Funder Network is an online knowledge sharing platform, enabling members and other funders to contribute queries, concerns and expertise about practical issues and policies relating to the work of foundations. This year there were 1,117 registered users on Funder Network, with 125 new registrants during 2022. People posted 108 questions during the year (2021: 79) with 325 responses (2021: 154).

FUNDERS COLLABORATIVE HUB

The Funders Collaborative Hub was originally launched as a pilot in 2020, in response to funders' increased interest in collaborating during the Covid-19 pandemic. Since its relaunch in December 2021, the Hub has published:

- More than 120 collaboration opportunities (55 opportunities added in 2022, exceeding its full-year target of 50)
- 20 collaboration case studies (10 at launch and 10 new ones during 2022)
- 39 blogs, including:
 - * Seven promoting the Hub and exploring its contents
 - * Nine sharing perspectives (from funders and other stakeholders) on funder collaboration
 - * 10 updates reporting openly on the Hub's progress
 - * 13 from collaboration leaders focusing on their own specific collaboration.

FUNDERS COLLABORATIVE HUB ENGAGEMENT IN 2022

1,392

Average monthly views of 'search for collaboration opportunities' page

4,700+

Number of times the most viewed collaboration opportunity, the DEI Data Standard, was viewed.

1,023

Average monthly views of case studies and blogs (exceeding the 2022 target of 600 per month)

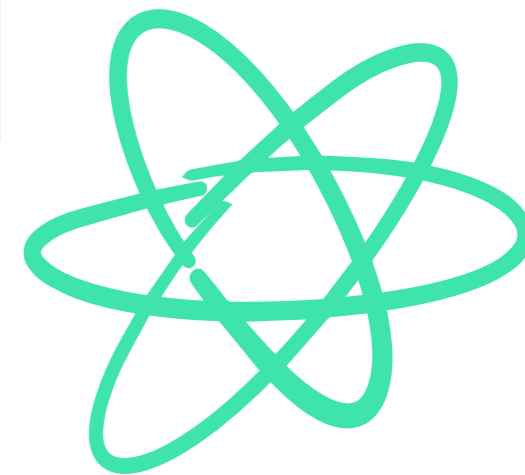
194

Average monthly views of the funder collaboration toolkit (exceeding the 2022 target of 150 per month)

EUROPEAN AND INTERNATIONAL NETWORKS

We work closely with European and international partner organisations to share learning on how foundations are addressing issues and sharing excellent practice. ACF participated in monthly meetings with the PEXcommunity of European philanthropy networks, received updates on policy developments relating to the operating environment across Europe from Philea (Philanthropy Europe Association), and regularly exchanged with other philanthropy networks on funders' response to climate, with Philea and WINGS.

Our chief executive, Carol Mack OBE, was elected as a board member of Philea in May 2022, having served on the transition board which oversaw the convergence of Dafne and the European Foundation Centre (EFC) which brought about Philea. She attended Philea board meetings through the year, representing the voice of UK foundations and trusts.



WE WORK CLOSELY WITH EUROPEAN AND INTERNATIONAL PARTNER ORGANISATIONS TO SHARE LEARNING ON HOW FOUNDATIONS ARE ADDRESSING ISSUES AND SHARING EXCELLENT PRACTICE.

ACF INSPIRES

FOUNDATIONS TO BE AMBITIOUS AND EFFECTIVE IN THE WAY THAT THEY USE THEIR RESOURCES

STRONGER FOUNDATIONS

Stronger Foundations is the flagship ACF project that helps grant-making charitable foundations identify and pursue ambitious practice. It includes six thematic reports on aspects of foundation practice, developed by six working groups drawn from ACF's diverse membership. Each report identifies 'pillars' of ambitious practice. These themes are: diversity, equity and inclusion; impact and learning; strategy and governance; transparency and engagement; investment; and funding practices.

The Stronger Foundations resources also include a report drawing out cross-cutting themes from across the six themes, as well as two summary reports that highlight key pillars for foundation chairs and for smaller foundations.

We also provide a self-assessment tool for members to review their own practice against each of the pillars. Since the launch of the initiative, more than 125 self-assessment tool surveys have been used by around 70 ACF foundation members from across the UK. Information from the tool informed initial thinking for ACF's strategic review, including considering how ACF itself is pursuing pillars relatable to its own work.

Drawing on the anonymised data members provided in these self-assessments, in March 2022 ACF published *Becoming Stronger Foundations*, giving examples of ambitious and effective practice from the first year of the self-assessment tool. All six of the thematic surveys contained in the tool were used by members and the one most frequently downloaded focused on diversity, equity and inclusion.

We used this data from the tool to directly inform plans for ACF's 2022 learning events including three DEI events, attended by 188 individuals from 86 member organisations.

DIVERSITY, EQUITY, INCLUSION (DEI)

3

DEI events run in 2022

86

Member organisations attended 2022 DEI events

188

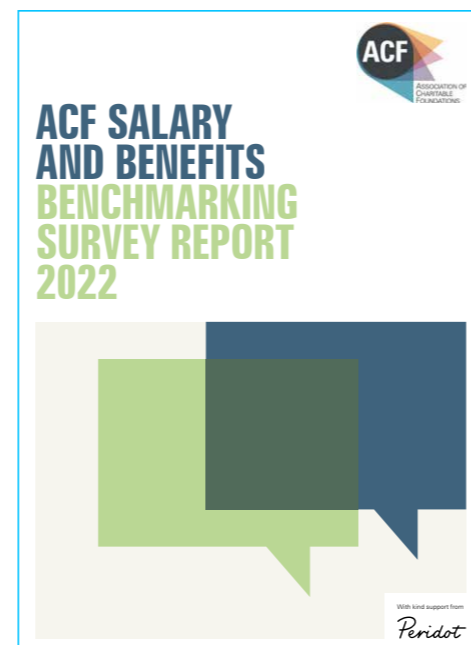
Individuals attended 2022 DEI events

SALARY AND BENEFITS BENCHMARKING SURVEY 2022

In September we published our third annual benchmarking survey on salary and benefits for roles unique to foundations, as part of ACF's member offer and growing body of research. This survey was first piloted in 2020 in partnership with Peridot Partners so that members can benchmark key grant-making roles' salaries and benefits in order to effectively recruit and retain staff.

All ACF members were contacted about the survey, with 139 responses elicited. The answers provided by each member remain anonymous and, in some places, to protect confidentiality, are aggregated with other member data to form a set of comparison tables, graphics and statistics. The 2022 salary and benefits survey built on feedback collected from the 2020 and 2021 reports and was revised and improved accordingly.

This year we included questions on foundations' diversity, equity and inclusion practice. Over half of the small organisations that responded to these questions reported that they have increased their focus on becoming more diverse and have worked to eliminate bias from the assessment process. Around 80% of the medium-sized organisations who responded to this part of the survey reported that their organisations have increased their focus on becoming more diverse.



ACF CONFERENCE

Our conference in November took place in person again, for the first time in three years.

A total of 282 attendees joined speakers, exhibitors and representatives from our Official Partners to consider the theme of "Courage: leadership in the next decade".

The day began with a welcome speech from ACF's chief executive Carol Mack, followed by a keynote speech from Professor Lucy Easthope, a prestigious speaker on disaster recovery, and then a panel discussion with speakers David Knott, chief executive of the National Lottery Community Fund, Danny Sriskandarajah, chief executive of Oxfam GB, Junior Smart, creator of the SOS Gangs project and Róisín Wood, chief executive of the Community Foundation for Northern Ireland.

The afternoon offered delegates the opportunity to choose two breakout sessions from 14 on a wide-range of topics including:

- Funding a more equitable future
- Funding and co-creation
- Mapping the UK Women and Girls voluntary sector
- Collaboration: a challenge shared is a challenge halved

Of those respondents to the conference evaluation survey, participants said:

97%

The content was timely and relevant to them

92%

Conference met their expectations

80%

They made new connections that are helpful to their work



A TOTAL OF 282 ATTENDEES JOINED SPEAKERS, EXHIBITORS AND REPRESENTATIVES FROM OUR OFFICIAL PARTNERS AT CONFERENCE.

ACF THRIVES

ACF HAS TO BE FINANCIALLY STABLE AND HAVE EFFECTIVE SYSTEMS AND PROCESSES TO DELIVER ON ITS MISSION. WE CONTINUED TO BALANCE OUR AVAILABLE RESOURCES TO DELIVER OUR PROGRAMME AS WE CAME OUT OF THE PANDEMIC BUT INTO A NEW ERA OF RISING CHALLENGES FOR OURSELVES AND THE MEMBERS WE SERVE.

We remain extremely grateful for the continued support of our members, including those who provided additional grants in 2022 to enable ACF to maintain progress on key activities, such as the Funders Collaborative Hub and *Foundation Giving Trends* research.

Our financial position remains strong as a result of membership growth in 2022 and the stability generated by the continuation of the Official Partner Programme (OPP). The audited financial position shows an unrestricted surplus £66,509 (£144,310 in 2021). This was driven by a combination of some underspends in staff costs due to a number of vacancies in the team within the year, increased contributions to core costs from new funding awarded during the year to support key activities and greater than budgeted net income from a successful return to an in-person annual conference.

The trustees have considered the unrestricted reserves that ACF requires to sustain its operations with reference to the Charity Commission for England and Wales' guidance on charity reserves as set out in CC19.

Trustees have agreed a long-term aim of balancing income and expenditure to deliver a level of free reserves that is between four and six months' operating expenditure. The total general fund at the end of 2022 was £683,931, of which £99,386 represents fixed assets, leaving free reserves of £584,545. This reserves balance at the end of 2022 sits in the middle of the target range based on 2022 expenditure.

The board has determined that the current level of reserves is sufficient to mitigate any future operating deficits driven from strategic investment, with the goal of balancing income and

expenditure over five years. Income and expenditure forecasts for a three year period are reviewed annually and in-year performance is monitored at each trustee meeting to ensure that any adverse impacts are managed proactively.

It is the view of the ACF board at the time of signing this annual report and the annual accounts that both ACF and ACF Conferences and Seminars Limited are going concerns.



INCOME TO SUPPORT OUR SERVICES TO MEMBERS

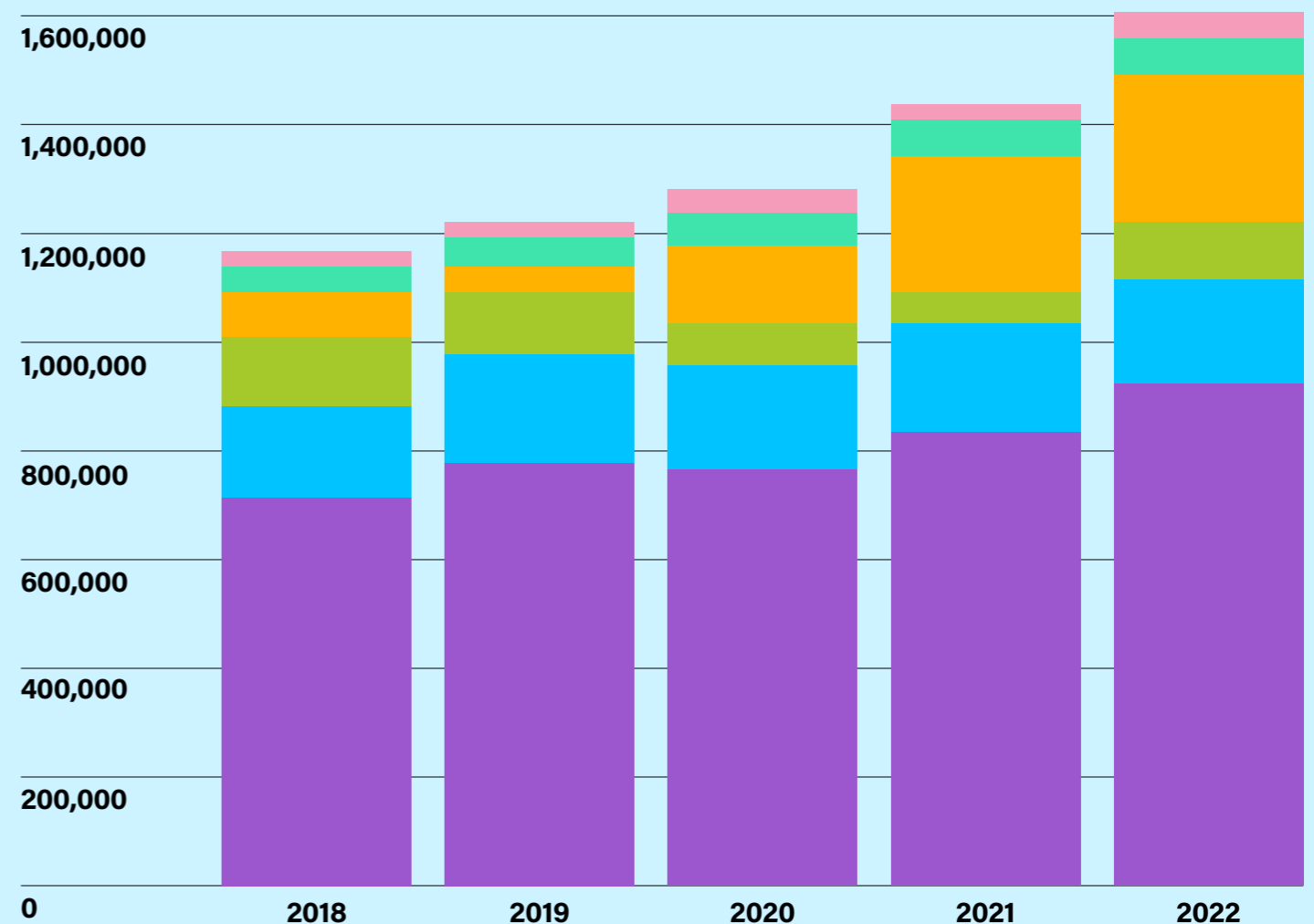
ACF's principal sources of funding are membership subscriptions, commercial income from its Official Partner Programme (OPP), and fees and grants to assist in delivering its charitable activities. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in their previous financial year. In 2022 ACF received a number of restricted grants, further detailed in Note 5 to the financial statements. ACF does not set a target to raise income from its cash reserves, nor does it have an investment policy.

ACF'S APPROACH TO FUNDRAISING FROM THE PUBLIC

ACF does not seek funds directly from the public, nor do we use commercial or professional fundraisers. As a result, we are not signed up to a voluntary fundraising regulation scheme or standard. ACF has complaints, whistleblowing and anti-bribery policies and these can be found on our website. We have received no fundraising related complaints.

GROUP INCOME TRENDS 2018-2022

- Member subscriptions
- Partnership income
- Conferences and meetings
- Fees and grants
- Networks
- Earned income



ACF THRIVES CONTINUED

REMUNERATION POLICY

All trustees give of their time freely and no trustee remuneration was paid in the year.

ACF provides a competitive employment offer under a transparent pay policy for staff. The pay policy enables us to attract, retain and motivate our talented staff team, while providing clarity and transparency about pay differentials between staff. Budgetary constraints, external environment, wider job market, values of the organisation and the morale of staff will all be factors in deciding any employment offer. ACF is a London Living Wage employer.

The current full-time equivalent salary differential between the highest and lowest paid staff member is 3.1 (2022 3.2).

ACF is not required to publish its gender pay gap information given its relatively small size, however, chooses to do so voluntarily. As in previous years, we follow the UK government guidelines for disclosure of this data using the prescribed formulae.

Gender pay gaps have reduced over the past 12 months, particularly as a result of director-level posts currently all being held by female employees, where in recent years at least one of these posts had been filled by male staff. As a result of these changes, females' median hourly wage is 16.6% lower than the males' median hourly wage, compared to 25.0% at the same date in 2022. When comparing mean hourly wages, the females' hourly wage is now 10.8% lower than the males' hourly wage, reduced from the 21.8% recorded in 2022.

The average male hourly wages remain higher using both measures due to the greater number of female employees employed in the more junior roles across the organisation.

The mean bonus pay gap in the last year was 33.5% (median 58.1%). These figures include equal bonuses paid across the organisation which were pro-rated based on contractual hours. As a significantly greater proportion of female staff work part-time, the bonus pay gap percentages are skewed as the calculation method for the bonus pay gap does not take into account the number of hours worked.

Balance sheet liabilities

ACF is carrying a Pensions Trust Growth Plan liability on its balance sheet, which represents the net present value of the deficit reduction contributions payable by ACF. This year has again seen a reduction in ACF's liability leaving the balance at £7,143 (2021: £13,014). The Pensions Trust Growth Plan has put in place arrangements to assist Plan members who have difficulty meeting deficit payments as a result of the pandemic. ACF has not, and does not expect to, need this assistance.

The Plan invests for the long term and monitors its investment strategy and funding position. A triennial review was completed in 2021, with a reduction in deficit funding per annum required by each scheme employer.

ACF holds no funds as a trustee on behalf of others.

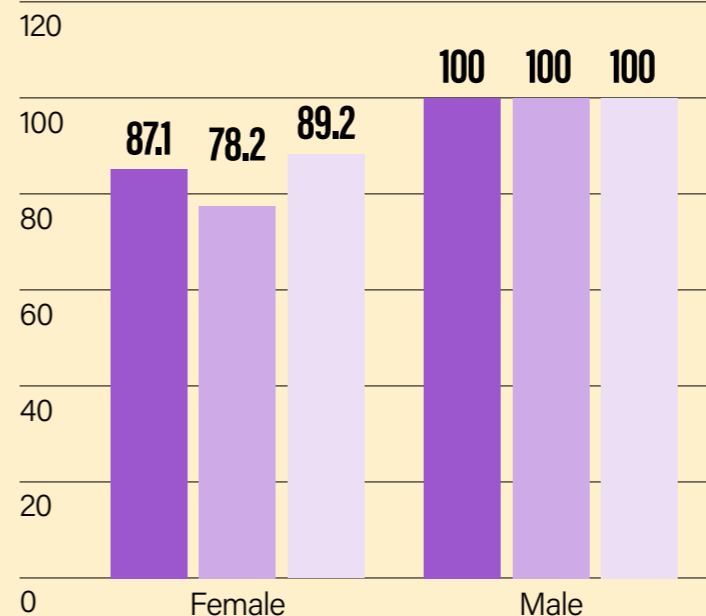
	Females	Males	Total
Upper quarter	3	0	3
Upper middle quarter	3	1	4
Lower middle quarter	4	0	4
Lower quarter	4	0	4
Total	14	1	15



ACF PROVIDES A COMPETITIVE EMPLOYMENT OFFER UNDER A TRANSPARENT PAY POLICY FOR STAFF.

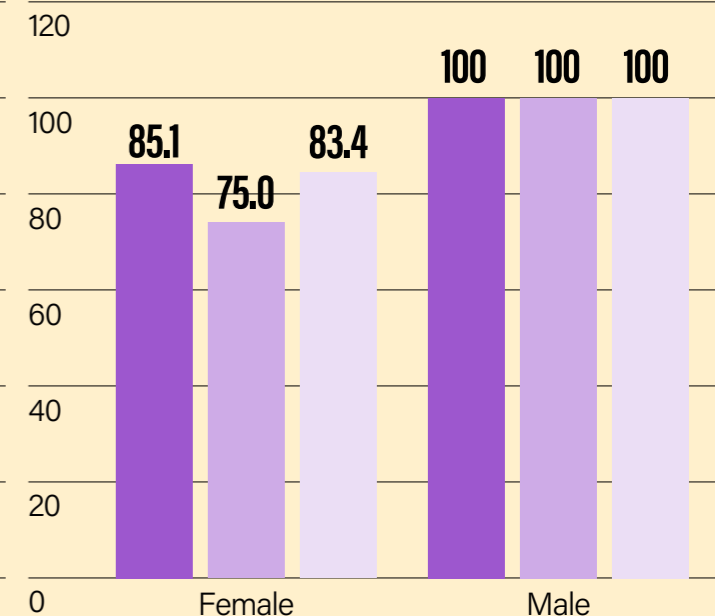
Mean

- April 21
- April 22
- April 23



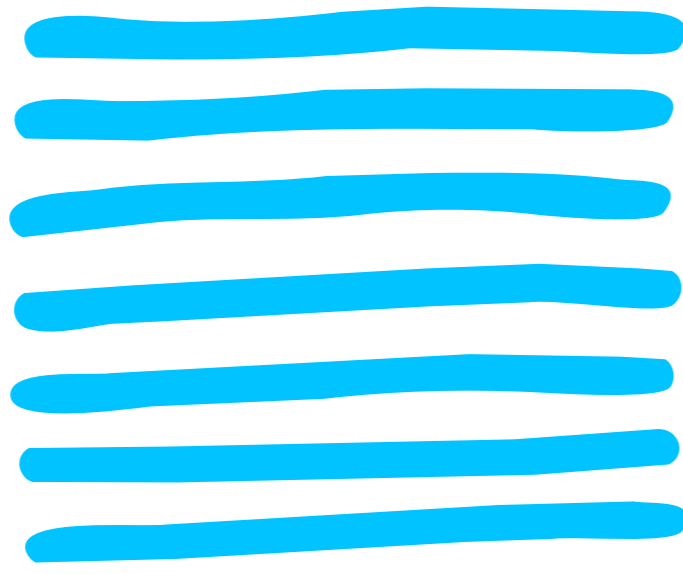
Median

- April 21
- April 22
- April 23



Female hourly wage rates are presented as a percentage of male hourly wage rates to indicate the relative gender pay gap more easily than the raw data.

ACF THRIVES CONTINUED



RISK MANAGEMENT

ACF actively manages the risks it faces. Key risks are identified and prepared by management and reviewed quarterly by the Finance and Risk Committee and annually by the board. Key risks and mitigations are being actively managed as follows:



ANALYSE EVENTS AND MEMBER NETWORK ATTENDANCES, AND BE RESPONSIVE TO REQUESTS FOR NEW AMENDED CONTENT

Risk	Implications	Mitigations	Impact	Likelihood
ACF capacity and capability building adversely impacted by loss of staff, skill gaps within the team, inability to fill positions, or reduced wellbeing.	ACF may lack the resources to meet member expectations or stay abreast of developments in the sector, losing relevance and membership numbers in the medium term	<ol style="list-style-type: none"> 2023 workplan to include business as usual as well as project work to improve capacity planning and ability to spot pinch points. Ensure that workplan is prioritised based on impact, that resources are released for priority elements and that directors have flexibility to balance work output to personal circumstances. Workplan to continue to build teamwork across the organisations. Refocus Director of Resources role to focus more on People and Operations. Develop a plan for succession in all roles with delivery plans to be executed should the need arise. Increase staff engagement through consistent communication of priorities and progress against workplan elements, and discussion at 121s Ensure all programmes of work have plans, success criteria and milestones. Regular wellbeing surveys and report to the board 	Medium	High
Volatile external context and/or ongoing health and inflationary environment have a destabilising effect on ACF - including our finances, the scope and shape of member activities, or on staff capacity.	Members focus on their internal activities and programmes, leading to ACF programmes (Stronger Foundations, Climate Commitment, Collaborative Hub, PDP, Networks) losing relevance and/or showing lower event attendance and member engagement	<ol style="list-style-type: none"> Continue to monitor member 'pulse' through each contact, documenting in CRM and regularly discussed at Leadership and staff meetings. Directly discussing members attitudes and responses to inflationary pressures through members policy forum and member survey Analyse events and member network attendances, and be responsive to requests for new amended content Monitor engagement of core Policy programmes at each touchpoint, documenting member engagement trends over time 	Medium	Medium
Issue with use of CRM or other key systems, either via fault with infrastructure, or gaps in team CRM skills	System not fit for purpose, or staff not well equipped to use it adequately, could lead to benefits not realised and compromise key processes around member services, reporting, and financial processing, and a poor user experience for both staff and members.	<ol style="list-style-type: none"> Ensure system remains robust via early reporting of any issues and thorough testing of all fixes or new processes, and ensuring all processes are thoroughly documented Create stronger induction process to ensure all new and returning staff understand the importance of the system to ACF's delivery Undertake advanced training with core staff to create centres of excellence and process for sharing knowledge Track staff engagement monthly as one of ACF's KPIs 	Medium	Medium

Risk	Implications	Mitigations	Impact	Likelihood
Insufficient progress with ACF's own Diversity, Equity and Inclusion and Climate practice	The business and operational benefits of a diverse team are well known and ACF staff team is not benefiting from this as the board has from improved diversity. Our DEI and climate change work have the potential for reputational damage given the dissonance between our public work on these areas and the progress that ACF has made in its own practice.	<ol style="list-style-type: none"> Continue to execute the DEI plan through 2023, including progressing with internal DEI training plan Overhaul recruitment processes to advance diverse hires, tracking progress after each hire and modifying processes based on learnings Document environment policy by review by board in May 2023. Review progress on DEI and climate action at all staff awayday in 2023 	Medium	Low
Unexpected reputational scandal from within ACF, or actions by ACF member(s) bring foundation sector into discredit	Reputational and potential financial risk to ACF if serious compliance or other issue internally occurs or is claimed. ACF has to spend time and resources defending foundations to the media/politicians/policy makers if members' actions threaten sector reputation.	<ol style="list-style-type: none"> Encourage good practice in the sector Stay close to regulators and policy makers Keep good links with foundations so any contentious behaviour is known, and monitor foundation activity on social media and general media Develop framework for determining which members' actions we would need to respond to if an issue arose Ensure preventative plans in place to avoid serious internal issues, and ensure plan in place for a crisis response if it were needed 	High	Low
Management / Trustee misalignment	In the year where ACF is developing its medium term direction, misalignment of the trustees and management on the strategic priorities could lead to ACF unable to efficiently deliver on its mission	<ol style="list-style-type: none"> Strategy implementation to have check in points between management and trustees Strategic options and underlying data is continuously made available to trustees for consideration Implementation plan is reviewed by board at September awayday 	High	Low

GOVERNANCE

BOARD OF TRUSTEES OF THE CHARITY

Name	Position	Committee membership(s) during the year	Appointed or resigned date	Member
Jessica Brown	Chair	Officers, Nomination and Remuneration Committee (NRC) (ex officio)	Re-elected 15.06.22	Trusthouse Charitable Foundation
Janet Morrison OBE	Chair	NRC (ex officio)	Resigned 03.22	Baring Foundation*
Síofra Healy	Interim vice-chair/ vice-chair	Officers, Finance and Risk Committee (FRC)	Appointed interim vice-chair 04.22, Appointed vice-chair 14.12.22	Community Foundation Northern Ireland
David Renton	Treasurer	Officers, FRC (chair)		Guy's & St Thomas' Foundation*
Rupert Abbott	Trustee	NRC	Elected 15.06.22	GiveOut
Nick Acland	Trustee	NRC (chair); Premises working group (chair)		The Henry Smith Charity*
Sufina Ahmad MBE	Trustee	Diversity, equity and inclusion (DEI) working group		John Ellerman Foundation
Andrew Barnett OBE	Trustee	FRC	Resigned 15.06.22	Calouste Gulbenkian Foundation
Sarah Benioff	Trustee	DEI working group; Premises working group		Cripplegate Foundation
Rachel Campbell	Trustee	NRC	Co-opted 15.06.22	The RS Macdonald Charitable Trust
Stephen Fenning	Trustee	DEI working group		Colyer Fergusson Charitable Trust
Daniela Lloyd-Williams	Trustee	NRC	Elected 15.06.22	JAC Trust
Michelle Molyneux	Trustee	FRC		The Worshipful Company of Grocers' Charity
Klara Skrivankova	Trustee	FRC	Re-elected 15.06.22	Trust for London
Edward Walden	Trustee	NRC; DEI working group (chair)	Re-elected 15.06.22	Power to Change
Jamie Ward-Smith	Trustee	Premises working group	Elected 15.06.22	The Co-op Foundation

* Trustee was linked to this member on appointment to the board.

Two trustees served as directors of ACF Conferences and Seminars Ltd, our subsidiary trading company: David Renton and Klara Skrivankova.

THE TRUSTEE BOARD

The board is responsible for the general management and supervision of the work of ACF. The trustees of ACF meet quarterly to set the strategic direction of the charity and monitor its effectiveness.

ACF's trustees are elected by members at an AGM for an initial term of three years. Trustees retire by rotation at the end of their initial term, and may offer themselves for re-election, but cannot serve for more than six successive years. At least four trustees retire at each AGM. All elected trustees must at the time of their appointment be connected to a member of ACF, for example as a trustee or as a member of staff. In addition, the board may co-opt a further five members to the board. ACF's members are non-governmental organisations in the UK, whose functions or activities include grant-making for charitable purposes, and endowed charitable foundations.

TRUSTEE INDUCTION

New trustees are invited to a half day induction where they meet key ACF staff and discuss ACF's strategy, objectives, activities and budgets. They normally receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission for England and Wales, together with papers from recent board meetings. Trustees individually also attend ACF's member events and thereby widen their awareness of current issues and concerns amongst ACF's membership.

ACF'S OBJECTS AND PUBLIC BENEFIT

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

- Advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research
- Promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources.

These objects are delivered through our strategic objectives, as outlined in this report. Our membership model is at the heart of what we do, delivering public benefit through more effective and

ambitious member foundations and supporting the costs of the delivery of this through membership fees. In addition, the direct benefits from our work extend beyond our membership. For example:

- Our policy and research work provides public benefit by increasing the quality of information available about the foundation sector to policymakers and others
- ACF provides information to the general public via our website and published reports (eg our cost of living resources page and blogs)
- The Funders Collaborative Hub, the Funder Commitment on Climate Change and our Funder Network knowledge sharing website are all open to non-members and have seen notable activity this year
- Many of our events are open to non-members, with members receiving a discount on the cost of attending
- A number of our publications are openly available on our website, including our Stronger Foundations reports, a summary of conference themes and videos of conference speeches.

Under the Companies Acts 1985 and 1989, ACF is limited by guarantee and does not have share capital. Its memorandum and articles of association were fully reviewed and revised in 2004 and amended in 2018 and 2020. The trustees have had regard to the Charity Commission for England and Wales' guidance on public benefit in considering what work the charity should undertake and in the performance of their duties.

The chief executive, the directors and heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis operating under a trustee approved scheme of delegation.

The trustees (who are also directors of the Association of Charitable Foundations for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and

expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ACF CONFERENCES AND SEMINARS LIMITED

Directors

Gemma Instrall
Carol Mack OBE
David Renton
Klara Skrivankova

Company Secretary

Natasha Kousseff

ADVISERS AND BANKERS

Bankers	Solicitors	Auditors
Cater Allen Private Bank 2 Triton Square, Regent's Place London, NW1 3AN	Stone King Boundary House 91 Charterhouse Street London, EC1M 6HR	Moore Kingston Smith 9 Appold Street London EC2A 2AP
Unity Trust Bank Four Brindley Place Birmingham, B1 2JB	Russell-Cooke 2 Putney Hill London, SW15 6AB	
CCLA Investment Management Limited COIF Charity Funds 85 Queen Victoria Street, London, EC4V 4ET		

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

Approved by the Board and signed on its behalf by:



Jessica Brown, chair

Date 17 May 2023



David Renton, treasurer

Date 17 May 2023

OUR THANKS

ACF's work would not be possible without support and encouragement from many members and other supporters. We would like to express our particular thanks for these as follows:

ACF's Official Partners:

- Cazenove
- CCLA
- Mercer
- Ruffer

For additional core support of ACF's activities:

- Garfield Weston Foundation
- Tudor Trust
- C S Mott Foundation

For additional financial support for:

- Foundation Giving Trends – Pears Foundation
- Members' Policy Forum – Paul Hamlyn Foundation
- Funders Collaborative Hub – Esmée Fairbairn Foundation, Lloyds Bank Foundation for England & Wales
- Catalytic Capital – Access – The Foundation for Social Investment, Big Society Capital
- Funder Commitment on Climate Change – John Ellerman Foundation
- Impact Investing in the Main Endowment – Barrow Cadbury Trust, City Bridge Trust, Esmée Fairbairn Foundation, Golden Bottle Trust, Guy's & St Thomas' Foundation, Joseph Rowntree Foundation, The Clothworkers' Foundation, and Treebeard Trust.

For in kind support for

- Funders Collaborative Hub – Esmée Fairbairn Foundation

For serving on the FIRM steering group:

- Anne-Laure Bedouet, Education Endowment Foundation
- Moray McConnachie, Guy's & St Thomas' Foundation
- Matthew Whittell, John Ellerman Foundation
- Lisa Kiew, Maudsley Charity
- Caroline Bee, St John's Foundation

For participating in the Steering Group of the Social Impact Investors Group:

- Denise Holle, Joseph Rowntree Foundation (incoming co-chair)
- Jonny Page, Esmée Fairbairn Foundation (incoming co-chair)
- Douglas Gunn, Trust for London (outgoing co-chair)
- Ben Smith, Esmée Fairbairn Foundation (outgoing co-chair)
- Jo Heywood/Amir Rizwan, Big Society Capital
- Jessica Tyrrell, Bank Workers Charity
- Mark O'Kelly/Kumar Ghosh, Barrow Cadbury Trust
- Luke Kavanagh, Trust for London
- Hamesh Patel, The Clothworkers' Foundation
- Tim Wilson, City Bridge Trust
- Shishir Malhotra, Treebeard Trust
- Craig Pennington, Francis C Scott Charitable Trust

For serving on the Hub steering group:

- Elaine Wilson, Corra Foundation
- Sharon Shea, Esmée Fairbairn Foundation
- Duncan Shrubsole, Lloyds Bank Foundation for England & Wales
- Anna de Pulford, The Dulverton Trust
- Emma Ackerman, The National Lottery Community Fund
- Cassie Robinson
- Aleema Shivji
- Nick Stanhope

For convening networks

Our thanks to members who have generously given their time to convene our networks

- Laura Dalton, AB Charitable Trust
- Caroline Marks, AIM Foundation
- Richard Graham, Barnardos
- Andrew Button-Stephens, Barratt Foundation
- Bel Crewe, BBC Children in Need
- Paddy Sloan, BBC Children in Need
- Fionnuala Walsh, BBC Children in Need
- Chrissie Hirst, Corra Foundation
- Danielle Walker Palmour, Friends Provident Foundation
- Esther Hughes, Global Dialogue
- Carrina Gaffney, Lankelly Chase
- Cathy Stancer, Lankelly Chase
- Steph Taylor, Leeds Community Foundation
- Aisling Johnston, LFT Charitable Trust
- Harriet Ballance, Lloyds Bank Foundation
- Kay Cameron, Lloyds Bank Foundation
- Duncan Shrubsole, Lloyds Bank Foundation
- Juliana Bell, Metropolitan Migration Foundation
- Cullagh Warnock, Millfield House Foundation
- Lucy Robson, Oak Foundation
- Andrew Curtis, Paul Hamlyn Foundation
- Anna Jarvis, Rosa
- Louise Telford, Rosa
- Johanna Tompsett, Shaftesbury Young People
- Hazel Capper, St Giles & St George
- Danielle Howes, The Bishop Radford Trust
- Nitya Teagarajan, The National Lottery Community Fund
- Rebecca Roberts, Trust for London
- Patrick Duce, World Habitat

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OPINION

We have audited the financial statements of Association of Charitable Foundations (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 themselves. 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.

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- Trustees' annual 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 parent charitable company and their 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 where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- The parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

→ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

→ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

→ Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

→ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

→ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

**EXPLANATION AS TO
WHAT EXTENT THE AUDIT
WAS CONSIDERED
CAPABLE OF DETECTING
IRREGULARITIES,
INCLUDING FRAUD**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.



Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston
Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date 17 May 2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Association of Charitable Foundations

Group statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 December 2022

		2022		2021 (restated)	
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	£
Income from:					
Charitable activities:					
Members' subscriptions		927,923	-	927,923	838,637
Network subscriptions		68,927	-	68,927	62,272
Conferences and meetings		109,628	-	109,628	63,708
Fees and grants	5	50,000	208,811	258,811	248,847
Earned income		-	-	-	225
Other trading activities	2	200,000	-	200,000	200,000
Investment income		6,223	-	6,223	173
Other income		33,371	-	33,371	27,810
Total income		1,396,072	208,811	1,604,883	1,441,672
Expenditure on:					
Charitable activities:					
Members' services	4	1,244,512	-	1,244,512	1,094,796
Conferences and meetings	4	85,315	-	85,315	34,816
Project expenditure	4, 5	-	124,954	124,955	189,679
Total expenditure		1,329,827	124,954	1,454,782	1,319,291
Net income/(expenditure)		66,245	83,856	150,101	122,381
Actuarial gains/(losses) on defined benefit pension schemes	12, 13a	264	-	264	26,050
Net movement in funds	13	66,509	83,856	150,365	148,431
Reconciliation of funds:					
Total funds brought forward	13	690,281	31,882	722,163	573,731
Total funds carried forward	13	756,790	115,738	872,528	722,162

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The attached notes form part of these financial statements.

Association of Charitable Foundations

Group balance sheet

At 31 December 2022

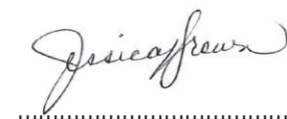
	Note	2022		2021	
		Group	Charity	Group	Charity
		£	£	£	£
Fixed assets:					
Tangible and intangible assets	7	99,386	99,386	146,182	146,182
Investments	8	-	2	-	2
		99,386	99,388	146,182	146,184
Current assets:					
Debtors	9	38,485	253,408	90,148	269,765
Cash at bank and in hand		344,333	127,019	323,341	142,908
Short term deposits		500,713	500,713	301,173	301,173
		883,531	881,140	714,662	713,846
Liabilities:					
Creditors: amounts falling due within one year	10	(85,248)	(82,859)	(111,167)	(110,353)
		798,283	798,281	603,495	603,493
Net current assets					
		798,283	798,281	603,495	603,493
Total assets less current liabilities					
		897,669	897,723	749,677	749,677
Creditors: amounts falling due after one year	10a	(18,000)	(18,000)	(14,500)	(14,500)
		879,669	879,669	735,177	735,177
Net assets excluding pension liability					
		879,669	879,669	735,177	735,177
Defined benefit pension scheme liability	12	(7,143)	(7,143)	(13,014)	(13,014)
		872,526	872,526	722,163	722,163
Total net assets					
		872,526	872,526	722,163	722,163
Funds					
Restricted funds	13	115,738	115,739	31,882	31,882
Unrestricted funds:					
Designated funds					
Pension Trust deficit reduction fund	13	80,000	80,000	70,000	70,000
Pension liability reserve	13	(7,143)	(7,143)	(13,014)	(13,014)
General fund	13	683,931	683,931	633,295	633,295
Total unrestricted funds		756,788	756,788	690,281	690,281
		872,526	872,526	722,163	722,163

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities for the charity alone has been presented. The net income of the standalone charity for the year was £150,365 (2021: £122,382) before transfers between funds.

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

The notes below form part of the financial statements.

Approved by the trustees and authorised for use on 17 May 2023 and signed on their behalf by:



Jessica Brown (Chair)
Company registration no. 5190466



David Renton (Treasurer)

Association of Charitable Foundations

Group statement of cash flows

For the year ended 31 December 2022

	Note	2022		2021	
		£	£	£	£
Net cash provided by operating activities	14		222,592		67,339
Cash flows from investing activities:					
Purchase of fixed assets		(8,285)		(112,266)	
Purchase of investments		-		-	
Interest income		6,223		173	
			(2,062)		(112,093)
Cash used in investing activities					
			(2,062)		(112,093)
Cash flows from financing activities					
			-		-
Change in cash and cash equivalents in the year	15		220,530		(44,754)
Cash and cash equivalents at the beginning of the year			624,516		669,270
			845,046		624,516

Association of Charitable Foundations

Notes to the Financial Statements

For the year ended 31 December 2022

1A ACCOUNTING POLICIES

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

Group accounts

The financial statements present the group Statement of Financial Activities (SOFA), group Statement of Cash Flows and the group and Charity Balance Sheets comprising of the consolidation of the Charity with its wholly owned subsidiary ACF Conferences & Seminars Limited (company registration number 03902450).

Basis of preparation

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 March 2018), Charities SORP (FRS102) and the Companies Act 2006. The functional currency of the charity is sterling and the financial statements have been rounded to the nearest £.

Public benefit entity

The Association of Charitable Foundations ('the Association') meets the definition of a public benefit entity under FRS102.

Critical estimates and areas of judgement

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Association makes assumptions concerning the future. The Trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year. Key estimates include the useful economic life of fixed assets, the recoverability of debtors and the assumptions made by the actuary in valuing the pension liability.

Fund accounting

Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises membership subscriptions and other incoming resources received or generated for the objects of the Association without further specified purpose.

Going into 2022, trustees had designated two funds, the Pensions Deficit Reduction Fund, and the Pension Liability Reserve Fund. Both represent funds that the trustees have put aside from General Funds to fund particular expenditure and are restricted in an administrative rather than a legal sense. For further details of designated funds, see note 13.

Restricted funds are to be used for specified purposes as expressed in grant agreements. Restricted grants are recognised in full in the SOFA in the period in which they are received or receivable, whichever is the earlier, unless they are for a specified period in which case they are deferred. These funds and movements in them are described in note 5.

Tangible fixed assets

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

Office Furniture, IT and telecommunications equipment
3 years

Software development
5 years

Leasehold improvements
3 years

Leasehold improvements depreciation is charged on a monthly basis from November 2019 (the commencement of occupation) in the case of initial leasehold improvements work, or from the date of works, in the case of more recent leasehold developments. For software development, depreciation is charged on a monthly basis from the month in which the asset is usable, with ongoing expenses such as licences and maintenance to be expensed when incurred. All other assets are charged a full year's depreciation in the year the asset is purchased.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to receipt, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable basis.

Allocation of support costs

Indirect costs are those costs incurred in support of the charitable objectives and governance of the Association. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Financial assets/liabilities

The charity has financial assets/liabilities of a kind that qualify as basic financial instruments only. Basic financial instruments are initially recognised at transaction value, unless otherwise stated in the relevant account policy note(s), and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The investment in the subsidiary is stated at cost.

Going concern

The trustees consider that there are no material uncertainties about the Association's ability to continue as a going concern. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences & Seminars Limited and do not consider there to be any additional concerns to report.

Pension arrangements

Now:Pensions

ACF participates in a defined contribution pension scheme, Now:Pensions. The amounts charged to the SOFA for the defined contribution scheme represent the contributions payable in the period.

Effective from 1 January 2023, ACF has transitioned from Now:Pensions to Aviva as its primary pension provider. No contributions have been made to Aviva in the current year.

TPT Retirement Solutions

ACF also participates in the TPT Retirement Solutions (formerly Pensions Trust) Growth Plan Scheme. This is a multi-employer scheme where ACF's share of the underlying assets and liabilities cannot be identified on a consistent and reasonable basis. In accordance with FRS 102, it is therefore accounted for as a defined contribution scheme. A deficit funding arrangement is in place for the scheme. A liability is recognised for the net present value of the deficit reduction contributions payable by ACF. Actuarial gains/losses are separately classified on the SOFA.

1B. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2022 INCLUDED FOR COMPARATIVE PURPOSES

		2021		
	Note	Unrestricted (restated)	Restricted	Total (restated)
		£	£	£
Income from:				
Charitable activities:				
Members' subscriptions		838,637	-	838,637
Network subscriptions		62,272	-	62,272
Conferences and meetings		63,708	-	63,708
Fees and grants	5	55,047	193,800	248,847
Earned income		225		225
Other trading activities	2	200,000	-	200,000
Investment income		173	-	173
Other income		27,810	-	27,810
Total income		1,247,872	193,800	1,441,672
Expenditure on:				
Charitable activities:				
Members' services	4	1,094,796	-	1,094,796
Conferences and meetings	4	34,816	-	34,816
Project expenditure	4, 5	-	189,679	189,679
Total expenditure		1,129,612	189,679	1,319,291
Net (expenditure)/income for the year		118,260	4,121	122,381
Actuarial gains/(losses) on defined benefit pension schemes	12	26,050	-	26,050
Net movement in funds		144,310	4,121	148,431
Reconciliation of funds:				
Total funds brought forward	13	545,970	27,761	573,731
Total funds carried forward	13	690,280	31,882	722,162

2. ANALYSIS OF OTHER TRADING INCOME

	2022	2021
	£	£
Official Partnership Programme fees	200,000	200,000

3. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2022	2021 (restated)
	£	£
Salaries and wages	635,855	638,651
Social security costs	66,488	62,751
Pension contributions	65,192	65,586
Pension Trust finance cost	107	121
Recruitment and training	44,298	17,581
Temporary staff, consultancy and all other staff costs	125,739	139,529
Total	937,679	924,219

Staff costs were incurred in the following way:

	2022	2021 (restated)
	£	£
Unrestricted funds		
Members' services	855,532	796,550
Restricted funds		
Funders' Collaborative Hub	62,352	86,555
Members' Policy Forum	5,000	9,000
Funder Commitment on Climate Change	2,700	15,870
Catalytic Capital	4,982	-
Impact investing	5,200	-
Foundation Giving Trends	1,913	16,244
Total	937,679	924,219

The above salaries and wages for 2021 include aggregate termination payments totalling £12,744 (none in the current year)

The following number of employees received benefits (excluding employer pension) during the year between:

	2022	2021
£90,000 and £99,999	1	1

The highest paid member of staff was the chief executive, receiving a salary in the year of £91,600 (2021: £88,000) and a non-consolidated performance-related payment of £5,000 (2021: £5,000). The total financial benefit (including employer pension) awarded to the chief executive was £105,660 (2021: £101,800). The total employee benefits including pension contributions of key management personnel were £317,432 (2021: 308,718).

The average number of staff employed in the delivery of charitable activities in the year was 16.0 (2021: 17.2); FTE 13.9 (2021: 14.4).

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

4.1 Current year

	Staff Costs	Indirect Costs	Governance Costs	2022
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	855,532	348,350	40,631	1,244,513
Conferences and meetings	-	81,782	3,533	85,315
Total Unrestricted Resources Expended	855,532	430,131	44,164	1,329,827
<u>Restricted Funds</u>				
Project Expenditure	82,147	42,808	-	124,955
Total Restricted Resources Expended	82,147	42,808	-	124,955
Total Resources Expended	937,679	472,939	44,164	1,454,782
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4.2 Prior year (restated)

	Staff Costs	Indirect Costs	Governance Costs	2021
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	796,550	270,181	28,065	1,094,796
Conferences and meetings	-	33,339	1,477	34,816
Total Unrestricted Resources Expended	796,550	303,520	29,542	1,129,612
<u>Restricted Funds</u>				
Project Expenditure	127,669	62,010	-	189,679
Total Restricted Resources Expended	127,669	62,010	-	189,679
Total Resources Expended	924,219	365,530	29,542	1,319,291
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4A. ANALYSIS OF INDIRECT COSTS

4a.1 Current year

	Members' Services	Conferences and Meetings	Project Expenditure	2022
	£	£	£	£
ICT and communications	74,630	6,490	-	81,120
Publications and printed matter	34,717	-	-	34,717
Meetings and events	-	59,256	340	59,596
Other and staff expenses	54,592	-	36,721	91,313
Property-related expenditure	130,422	11,341	5,747	147,510
Irrecoverable VAT	53,987	4,696	-	58,683
Total	348,349	81,782	42,808	472,939

Indirect costs, where relevant, have been allocated based on actual expenditure. IT, property, and irrecoverable VAT costs have been apportioned between Members' Services and Conferences & Meetings based on income percentages.

4a.2 Prior year (restated)

	Members' Services	Conf and Meetings	Project Expenditure	2021
	£	£	£	£
ICT and communications	58,525	3,080	142	61,747
Publications and printed matter	36,058	-	5,007	41,065
Meetings and events	-	23,902	874	24,776
Other and staff expenses	54,811	-	47,887	102,698
Property-related expenditure	89,164	4,693	8,100	101,957
Irrecoverable VAT	31,623	1,664	-	33,287
	270,181	33,339	62,010	365,530

4B. ANALYSIS OF STAFF COSTS

4b.1 Current year

	Members' Services	Project Expenditure	2022
	£	£	£
Salaries and wages	562,677	73,178	635,855
Social security costs	61,611	4,877	66,488
Pension contributions	61,100	4,092	65,192
Pension Trust deficit contributions	107	-	107
Recruitment and training	44,298	-	44,298
Temporary staff, consultancy and all other staff costs	125,739	-	125,739
	855,532	82,147	937,679

4b.2 Prior year (restated)

	Members' Services	Project Expenditure	2021
	£	£	£
Salaries and wages	535,796	102,855	638,651
Social security costs	58,145	4,606	62,751
Pension contributions	61,438	4,148	65,586
Pension Trust deficit contributions	121	-	121
Recruitment and training	17,581	-	17,581
Temporary staff, consultancy and all other staff costs	123,469	16,060	139,529
	796,550	127,669	924,219

4C. ANALYSIS OF GOVERNANCE COSTS

	2022	2021 (restated)
	£	£
Auditor remuneration – audit fee for current year	12,000	9,995
Auditor remuneration – VAT review	-	900
Auditor remuneration – tax compliance	2,445	1,000
Internal and external meetings	2,284	5,477
Strategic review	27,317	10,295
Trustee expenses	92	249
Sundries	26	1,626
	44,164	29,542

Governance cost apportioned based on income percentages.

5. RESTRICTED FUNDS - GROUP AND CHARITY

5.1 Current year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Impact Investing in the Main Endowment	Members' Policy Forum	Total 2022
	£	£		£		£	£
Grant income	83,811	30,000	40,000	-	20,000	35,000	208,811
Expenditure							
Staff and consultancy	62,352	2,700	1,913	4,982	5,200	5,000	82,147
Direct project costs	-	300	15,290	10,131	11,340	-	37,061
Overheads	2,099	-	3,649	-	-	-	5,748
Total Expenditure	64,451	3,000	20,851	15,113	16,540	5,000	124,955
Net Income/(expenditure)	19,360	27,000	19,149	(15,113)	3,460	30,000	83,856
As at 1 January 2022	9,744	-	3,025	19,113	-	-	31,882
As at 31 December 2022	29,104	27,000	22,174	4,000	3,460	30,000	115,738

5.2 Prior year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Wellbeing Fund	Members' Policy Forum	Total 2021
	£	£	£				£
Grant income	85,000	-	71,800	20,000	2,000	15,000	193,800
Expenditure							
Staff and consultancy	86,555	15,870	16,244	-	-	9,000	127,669
Direct project costs		592	50,031	887	2,000	400	53,910
Overheads	-	-	2,500	-	-	5,600	8,100
Total Expenditure	86,555	16,462	68,775	887	2,000	15,000	189,679
Net Income/(expenditure)	(1,555)	(16,462)	3,025	19,113	-	-	4,121
As at 1 January 2021	11,299	16,462	-	-	-	-	27,761
As at 31 December 2021	9,744	-	3,025	19,113	-	-	31,882

Included in unrestricted grant income for 2021 is £1,548 (none in current year) in government grants under the Coronavirus Job Retention Scheme (CJRS).

Funders Collaborative Hub

Funding from Esmée Fairbairn Foundation, Lloyds Bank Foundation for England and Wales, and (prior years only) the Henry Smith Charity and John Lyon's Charity, to support the Funders Collaborative Hub, an initiative to enable increased understanding, closer alignment, and opportunities for funder collaboration.

UK Funders Commitment on Climate Change

Funding from John Ellerman Foundation and (prior years only) Esmée Fairbairn Foundation to support ACF's hosting of the UK Funder Commitment on Climate Change, to promote the commitment and support signatories to implement the pledges.

Foundation Giving Trends

Funding from the Pears Foundation to support research by Dr Catherine Walker resulting in the annual publication by ACF of *Foundation Giving Trends*.

Catalytic Capital research

A sector-led research project to identify the barriers to deploying catalytic capital: long-term, affordable and flexible repayable finance. Hosted by ACF on behalf of the Social Impact Investors Group (SIIG) and funded by Access – The Foundation for Social Investment and Big Society Capital.

Impact Investing in the Main Endowment

In collaboration with the Impact Investing Institute, Charities Responsible Investment Network and Big Society Capital, and funded by Esmée Fairbairn Foundation, Joseph Rowntree Foundation, City Bridge Trust - the funding arm of The City of London Corporation's charity, Bridge House Estates (1035628) – The Clothworkers' Foundation, Golden Bottle Trust, Guy's & St Thomas' Foundation, Treebeard Trust and the Barrow Cadbury Trust, this project focuses on providing an introductory learning series for foundations on mixed motive and financial return impact investing.

Members' Policy Forum

Funding from Paul Hamlyn Foundation and (prior years only) the Barrow Cadbury Trust to support the work of the Members' Policy Forum, an initiative that increases opportunities for our members to engage directly with ACF's policy work, raise issues of concern, and regularly engage with policy-makers in government.

Wellbeing fund

Prior year only. Funding from The Tudor Trust to support staff wellbeing.

6. TRUSTEE BOARD EXPENSES

The trustee board members received no remuneration in the current or prior year.

The amount of travel and other expenses reimbursed to, or paid on behalf of, one trustee board member was £92 (2021: two members at £251).

All elected trustees must be a current trustee, employee or other representative of a member of the Association.

Membership subscriptions with these members have been raised on an arms-length basis.

The Association is required to disclose the following related party transactions relating to 2022:

A restricted grant of £30,000 was awarded by John Ellerman Foundation (the employer of one of the Association's trustees) to support the work of the Funder Commitment on Climate Change (see note 5). The grant agreement was made between the Foundation and the Association.

Licence fees totalling £9,840 were paid by GiveOut (the employer of one of the Association's trustees) for use of desk space in ACF's office (including by the trustee employed by GiveOut).

Aggregate membership and event income in the year paid by trustees' organisations totalled £59,633 (2021: £49,946)

7. FIXED ASSETS

7A. TANGIBLE FIXED ASSETS

Group and charity	Leasehold Improvements	Office Furniture, IT and telecoms equipment	Total
	£	£	£
Cost			
At 1 January 2022	94,059	40,310	134,369
Additions in the year	1,943	6,342	8,285
Disposals in the year	-	-	-
At 31 December 2022	96,002	46,652	142,654
Depreciation			
At 1 January 2022	(67,932)	(39,830)	(107,762)
Disposals in the year	-	-	-
Charge for the year	(26,397)	(2,594)	(28,991)
At 31 December 2022	(94,329)	(42,424)	(136,753)
Net Book Value			
At 31 December 2022	1,673	4,228	5,901
At 31 December 2021	26,128	480	26,608

7A. TANGIBLE FIXED ASSETS

Group and charity	Software Development	Total
	£	£
Cost		
At 1 January 2022	130,444	130,444
Additions in the year	-	-
Disposals in the year	-	-
At 31 December 2022	130,444	130,444
Depreciation		
At 1 January 2022	(10,870)	(10,870)
Disposals in the year	-	-
Charge for the year	(26,089)	(26,089)
At 31 December 2022	(36,959)	(36,959)
Net Book Value		
At 31 December 2022	93,485	93,485
At 31 December 2021	119,574	119,574
Total Net Book Value of Tangible and Intangible Fixed Assets		
At 31 December 2022		99,386
At 31 December 2021		146,182

All fixed assets are used for direct charitable purposes

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2022	2021
	£	£
	2	2

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

Subsidiary	ACF Conferences and Seminars Limited
Country of registration	England and Wales
Class	Ordinary
Shares held	100%

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

Subsidiary	ACF Conferences and Seminars Limited
Principal activity	Conferences
Capital and reserves	£2
Profit for the year	£nil

	2022	2021
	£	£
Turnover for the period	210,535	201,500
Cost of sales	(71,111)	(78,565)
Gross profit	139,424	122,935
Profit on ordinary activities before taxation	139,424	122,935
Tax on profit on ordinary activities	-	-
Profit for the year, transferred to the charity at year end	139,424	122,935

9. DEBTORS

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Amounts due from subsidiary undertaking	-	215,085	-	214,817
Prepayments and accruals	26,902	26,902	42,215	42,215
Taxation	8,397	8,397	-	-
Other debtors	3,186	3,024	47,933	12,733
	38,485	253,408	90,148	269,765

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

In both years, the prepayments total includes a long-term debtor of £19,200 relating to a rental security deposit for the premises at Toynbee Hall.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Charity	Group	Charity
	2022	2022	2021	2021
	£	£	£	£
Accruals	26,169	23,724	24,150	24,894
Meeting fees received in advance	-	-	1,202	1,202
Subscriptions received in advance	-	-	6,540	6,540
Tenant income received in advance	3,120	3,120	-	-
Staff leave carried forward	23,124	23,124	25,474	25,474
Staff wages	3,694	3,694	3,663	3,663
Other taxation and social security	1,892	1,892	8,342	8,342
Staff pensions	7,320	7,320	7,175	7,175
Dilapidations provision	-	-	-	-
Other creditors	19,929	19,985	34,621	33,063
	85,248	82,859	111,167	110,353

In each year, meeting fees, subscriptions, and tenant income received in advance entirely relate to the next financial year.

10A. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	Charity	Group	Charity
	2022	2022	2021	2021
	£	£	£	£
Dilapidations provision	18,000	18,000	14,500	14,500
Subscriptions received in advance	-	-	-	-
	18,000	18,000	14,500	14,500

The trustees have adopted a dilapidations provision to reflect the estimated cost of future expenditure where the Association has contractual obligations for reinstatement relating to any property lease. The charge for the dilapidations provision in 2022 is £3,500 (2021: £6,000).

11. TAXATION

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

12. PENSION LIABILITY

The Association participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together

with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the

scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme is carried out every three years, the most recent of which was carried out at 30 September 2020. This valuation showed assets of £799m, liabilities of £832m and a deficit of £33m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Reconciliation of opening and closing liabilities

Group and charity	2022	2021
	£	£
Provision at 1 January	13,014	50,918
Unwinding of the discount factor	107	121
Deficit contribution paid in year to the Pensions Trust	(5,714)	(11,975)
Impact of changes in the Pensions Trust's fund valuation assumptions	(264)	(150)
Amendments to the contribution schedule	-	(25,900)
Provision at 31 December	7,143	13,014

Under the Association's recovery plan, £3,597 deficit contributions are due in the coming year, with the balance (subject to annual adjustments) to be paid in regular instalments ending 31 January 2025. £4,112 of plan expenses are due in the coming year.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit.

The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

13A. UNRESTRICTED FUNDS GROUP AND CHARITY

Current year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2022
	£	£	£	£
Balances at 1 January 2022	633,295	70,000	(13,014)	690,281
Net income before transfers	66,245	-	-	66,245
Actuarial gains/(losses) on defined benefit pension schemes	-	-	264	264
Transfer from/(to) General Fund	(15,607)	10,000	5,607	-
Balance at 31 December 2022	683,933	80,000	(7,143)	756,790

Prior year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2021
	£	£	£	£
Balances at 1 January 2021	536,888	60,000	(50,918)	545,970
Net income before transfers	118,261	-	-	118,261
Actuarial gains/(losses) on defined benefit pension schemes	-	-	26,050	26,050
Transfer from/(to) General Fund	(21,854)	10,000	11,854	-
Balance at 31 December 2021	633,295	70,000	(13,014)	690,281

General Fund

The general fund is the value of unrestricted funds after future pension liabilities have been accounted for and comprises fixed assets, current assets and liabilities.

Pension Trust Deficit Reduction Fund

In 2015 trustees decided to create a designated fund to build a reserve fund to cover ACF's Pension Trust liability. It is the trustees' current intention to designate £10,000 into this fund per year. The first transfer was made in 2015 and £10,000pa has been transferred every year from 2015-2022. This policy will continue until the fund is sufficient to cover ACF's share of the liability. The amount transferred will be reviewed every few years.

Pension Liability Reserve Fund

To reflect the very low probability that the liability is crystallised in one go a corresponding negative designated reserve fund has been created to show the true level of general funds.

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP AND CHARITY

Current year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.22
	£		£	£	£
Restricted Funds					
Project Funds	-	115,738	-	-	115,739
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	80,000	-	-	80,000
Pension Liability reserve	-	-	-	(7,143)	(7,143)
General Fund*	99,386	687,793	(103,248)	-	683,931
Total unrestricted funds	99,386	767,793	(103,248)	(7,143)	756,788
Total funds	99,386	883,531	(103,248)	(7,143)	872,526

*After fixed assets have been accounted for, ACF's general fund is £584,545 which forms ACF's free reserves.

This is calculated as follows:

Total general fund	683,930	
Less fixed assets and investments	99,386	
	584,545	(£487,113 in 2021)

Prior year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.21
	£		£	£	£
Restricted Funds					
Project Funds	-	31,882	-	-	31,882
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	70,000	-	-	70,000
Pension Liability reserve	-	-	-	(13,014)	(13,014)
General Fund	146,182	612,780	(125,667)	-	633,295
Total unrestricted funds	146,182	682,780	(125,667)	(13,014)	690,281
Total funds	146,182	714,662	(125,667)	(13,014)	722,163

14. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period as per the statement of financial activities	150,101	122,381
Depreciation charges	55,080	54,661
Interest income	(6,223)	(173)
(Increase)/decrease in debtors	51,663	57,729
Increase/(decrease) in creditors	(22,419)	(155,405)
Non-cash movement on defined benefit pension liability	(5,607)	(11,854)
Net cash provided by operating activities	222,592	67,339

15. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash in hand	323,341	20,992	344,333
Notice deposits (less than three months)	301,173	199,540	500,713
Total cash and cash equivalents	624,516	220,530	845,046

16. OPERATING LEASE COMMITMENTS GROUP AND CHARITY

	2022	2022	2021	2020
	£	£	£	£
	L&B	Office Equipment	L&B	Office Equipment
Within one year	64,000	-	64,000	628
Between 2 and 5 years	-	-	-	-
5 years +	-	-	-	-
	64,000	-	64,000	628

All amounts above are subject to VAT, a portion of which will be recoverable under partial recovery.

Operating lease rental payments during the year were £96,000 (2021: £96,000)

17. RELATED PARTY TRANSACTIONS

The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2022 the subsidiary declared a gift aid distribution of £139,424 to the charity (2021: £122,935).

Bidirectional recharges have also been made between the charity and the trading subsidiary relating to trading activities (the trading subsidiary was charged £68,653 [2021: £73,142] by the charity; there were no recharges to the charity by the trading subsidiary [2021: £745]).

At the year end the subsidiary owed the charity a total of £215,085 (2021: 214,817) inclusive of gift aid, and the charity owed the trading subsidiary £56 (2021: £747).

There were no other related party transactions requiring disclosure in the year or in the prior year.

Association of Charitable Foundations
is a company limited by guarantee,
registered in England and Wales.

Registered Company No. 5190466.

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Registered Charity Number: 1105412.

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