

Company no. 2651777
Charity no. 1004630

Community Foundation Network

31 March 2009

Community Foundation Network

Legal and administrative details

For the year ended 31 March 2009

Governing document	The organisation was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association.	
Company number	2651777	
Charity number	1004630	
Registered office and operational address	Arena House 66 - 68 Pentonville Road LONDON N1 9HS	
Honorary president	Baroness Usha Prashar	
Honorary officers	David Kenworthy Matthew Bowcock Anne Boyd Laura Warren John Briggs	Chair (resigned 19 November 2008) Chair (appointed 19 November 2008) Vice Chair (resigned 19 November 2008) Vice Chair Treasurer
Chief Executive	Stephen Hammersley	
Company secretary	Andrew Lane (resigned 24 September 2008) Leonie Benton (appointed 24 September 2008)	
Bankers	Caf Bank Ltd Kings Hill West Malling KENT ME19 4TA	Bank of Scotland Pentland House 8 Lochside Avenue EDINBURGH EH12 9DJ
Solicitors	Russell-Cooke 2 Putney Hill LONDON SW15 6AB	
Auditors	Kingston Smith LLP Chartered Accountants Devonshire House, 60 Goswell Road London EC1M 7AD	

Community Foundation Network (CFN)

Report of the board

For the year ended 31 March 2009

Chairman's statement

The Trustees report attached provides the detail of the activities and achievements of Community Foundation Network in the format recommended for charity accounts.

There is perhaps a danger that the detail of a successful year for CFN masks the significant developments that have taken place within both CFN and the whole community foundation movement this year. My predecessor as Chair used to talk about CFN progressively exercising a more significant leadership role. In this my first report as Chair I think we have reached a critical moment and the first signs are evident of CFN successfully exercising leadership of a movement committed to the growth of community philanthropy and, to the extent that this is possible locally, changing our world for the better as a result.

Quality accreditation, coverage and consistency of delivery have been key areas of work for CFN in the past few years and we now have a solid platform of community foundations, which are all offering the same sort of service to donors and national partners, to the same quality standards, covering more than 95% of the UK population. Building on this means looking outward and forward. We have made a start this year but we must do more to ensure that that every policy maker, government agency, professional adviser, philanthropist, social policy journalist, local newspaper and community charity knows about community foundations. This will be a long slow process but our goal is that community foundations will be recognised as an essential part of our civil society.

The Directors' Report details CFN's successes that have flowed from strong relationships with the Office for the Third Sector, the Big Lottery and the Charles Stewart Mott Foundation. We need more and stronger relationships of different kinds with policy makers, supplying them with ideas. Similarly with professional advisory firms, we have to enhance their business so that they feel that they can offer their clients a better service because they know about us.

We also must look forward and recognise the changes that could position us as innovators or, conversely, if we don't act, could marginalise our impact. In the US, in 2000, online giving was about \$250m. By 2007, that had risen to \$10 billion. That is why LocalGiving.com is so important. It is an opportunity to enable large numbers of community groups to promote their work through the web and open the concept of community giving to huge numbers of donors who would never have thought of supporting groups in their local community. We started development in 2008/9 and we plan to test launch in 2009/10.

In this time of fundamental economic and possibly social change, there are opportunities to shift thinking. Community foundations are a unique repository of knowledge, contacts and experiences that we must bring to bear. This is the purpose of the Manifesto for Community Philanthropists that we plan to issue in 2009. It will propose concrete ideas which we believe can result in a step-change in the level of giving and will raise the level of awareness of community philanthropy and of the role that community foundations play.

CFN also only exists if it offers value to members. One value it can increasingly offer is securing contracts for the whole network or for multiple foundations. This is only possible because we have come so far in terms of coverage, consistency and quality and it is immensely encouraging to see this bearing fruit in the form of Sport Relief renewing their relationship with us for a further two years at a level 50% higher than for 2007/08. We are just over half way through the Fair Share Trust programme but already there are exciting signs of it working well. We must understand just what it is that is unique and has been successful so that we can trumpet our success, re-use the model and make sure that the infrastructure that has been created in communities doesn't just dissipate at the end of the programme.

Finally, as with many charity Boards, we have been increasingly concerned about quantifying the impact of CFN. Our numbers show that the total cost of running CFN in 2008/09 (all costs of generating funds, charitable activities and governance less those that were grants made) across all restricted and unrestricted programmes was £906k and that these costs secured:

- £9.33m of grants to community foundations (and some other agencies) to strengthen local communities and cover local grant making costs

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- £108m of the government's £130m of investment in Grassroots Grants community philanthropy being delivered through community foundations over the next three years
- £6m of Sport Relief grants to be delivered by community foundations in 2009 and 2010
- Continuing strong performance on the Fair Share Trust programme
- All the other outputs and outcomes listed in the Trustees Report.

In my view this represents a splendid return for our Members and perhaps more importantly the communities and donors that they serve and the people whose lives will be improved by the additional charitable work that will result.

Matthew Bowcock

Chair

Community Foundation Network (CFN)

Report of the board

For the year ended 31 March 2009

Introduction

The Trustees' Report is in the format recommended by the SORP 2005 guidelines.

This report covers another year when Community Foundation Network (CFN) has performed well against its charitable objects and against its plans to benefit the public through the work of community foundations. The context for this report has been the onset of a severe recession in the UK that has led to a significant increase in demand by the public for the services that the grantees of community foundations provide. Community foundations have responded by helping the government target funds to grassroots community organisations and by proving their worth as an essential tool and support for private individual philanthropists who want to make a difference through their giving. CFN's key contribution has been

- Significant input to the design of the £130m Grassroots Grants and £16m Targeted Support Fund investment in community and frontline charitable organisations in England by the government. CFN also supported community foundations in their applications to deliver the programme leading to 90% plus of the funds being managed by community foundations
- The successful management of national grants programmes leading to, for example, Sport Relief increasing the funds delivered via the network by 50% to £6m in 2009/10
- To facilitate the training of staff in over 25 community foundations, equipping them with a framework that allows for the delivery of high quality philanthropic advice to clients.
- To raise the profile of community foundations through activities such as involvement in the Policy Exchange work to investigate community philanthropy ("Building Bridges"); press coverage and speeches by our Chair.
- To work with Local Giving Limited to develop the idea of using existing community foundations' UK wide grant making capacity to "web 2.0" enable local charitable organisations, taking this from a concept to a detailed operational model, due to launch in test mode in September 2009.
- To maintain and manage Charity Commission endorsed quality standards for community foundations
- To deliver Fair Share Trust successfully with the model increasingly being quoted by the Big Lottery as one of their most exciting programmes.

In overseeing the activities of CFN and in the preparation of this report, the Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. As this report makes clear, as a result of the work done by the network of community foundations there are many more people, in more communities across the UK who have been helped to face issues relating to disadvantage and/or take opportunities to improve the quality of life for themselves and their neighbours. In some cases, such as the Fair Share Trust Programme, CFN has a direct role in managing programmes that bring about these changes albeit by grant funding local implementing agents; in other cases CFN's work helps strengthen community foundations that in turn create benefit for people locally.

1. Structure Governance and Management

CFN is a charitable company limited by guarantee with governance arrangements provided for by the company's memorandum and articles of association.

CFN is the national membership organisation for community foundations in the UK. Community foundation means a foundation established to generate funds from all sources (including money given to create endowment), in order to provide grants for charitable purposes related to the needs of a defined community. Community foundations thus provide services to donors and engage with others to strengthen local communities. Our vision is to see community foundations making an increasingly significant contribution to the creation of stronger and more cohesive communities in the UK by funding, connecting and convening effective charitable activity.

Membership of CFN is restricted to community foundations in the UK. The network has grown strongly in recent years. According to the returns submitted in 2008 (containing data from members' accounts for the preceding year), in aggregate the network of community foundations made £67m of grants in 2007/08, supporting 20,000 organisations working to strengthen their communities. In total £220m of committed endowed funds are also being managed by members of the network on behalf of donors and communities, and this figure has again doubled over the last four years. As at March 2008 there were 48 full members, 8 associates and 5 affiliate members. We estimate that over 95% of the UK population has access to a community foundation.

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The full members of CFN elect the trustees of CFN for three year terms, with a minimum of four trustees being trustees of member community foundations and a minimum of four being staff employed by member community foundations. Trustees are co-opted onto the board to bring experience and skills to bear that are considered necessary by the board.

These requirements mean that CFN benefits from having the majority of trustees very familiar with CFN and the issues that the board consider. CFN's induction processes for new trustees include a personal briefing from the CEO and the issuing of a board manual setting out the generic responsibilities of trustees and the specific responsibilities and roles that are required under the CFN governing documents. The Board meetings fit into the planning cycle, with one meeting a year having space to review previous year performance, one to focus on big picture strategy and two to agree the three year plan and one year budget.

CFN was found by an external assessor to have achieved quality accreditation in line with standards endorsed by the Charity Commission and that are consistent with the Commission's "Hallmarks of an Effective Charity".

CFN is also the sole trustee for the Fair Share Trust. The Fair Share Trust, established in June 2003, is governed by a Trust Deed and is charged with delivering £50m of lottery money to some of the UK's most disadvantaged communities over a ten-year programme.

The Board of CFN is the decision making body for the company. In order to increase the focus of the board on delivering the impact expected within our plan, "Task Groups" charged with providing strategic direction and support to the staff help CFN progress the key strategies within the plan. These "Task Groups" do not have decision-making powers. The board has delegated powers to sub committees to take specific decisions consistent with the overall direction set by the whole board. The delegated authorities for these sub committees are summarised below.

The Fair Share Trust programme appears as an item on all main board agendas and its successful delivery is a key strategy for the plan. In addition to provision for a "Task Group" the board has delegated to a panel of trustees the responsibility for agreeing neighbourhood strategies against which funds will be released to the Agents delivering the programme.

A Finance and Audit Committee oversees the investment of the Fair Share Trust monies and audit arrangements. The Conference Committee takes responsibility for the work to deliver the bi-ennial network conference. The Personnel Committee decides on staff remuneration and policies. An Accreditation Committee has delegated specific powers to approve community foundations' applications for the award of our quality accreditation. The Programmes and Operations Committee approves large scale or higher risk grants programmes and monitors CFN's performance on these programmes.

Staffing at CFN was stable over the year.

The trustees have reviewed the major risks to which the charity is exposed, and systems and procedures are in place to manage these risks with reports from the CEO received quarterly at Board meetings.

The charity is subject to the unpredictability associated with the financial markets. The trustees review the asset allocation and fund performance on a regular basis to ensure that sufficient resource is available to continue with the objects of the charity.

3. Objectives and activities

The objects of the charity as set out in the Memorandum of Association are:

- To promote and improve the efficiency and effectiveness of community foundations in direct pursuit of their objectives in such a manner as may be thought fit and in particular by raising and distributing funds for application for the general purposes of such foundations
- To advance education of the public in the work of such foundations
- To promote other exclusively charitable purposes of benefit to the community

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The changes or differences that CFN seeks to make are:

- Winning new funds for members from contracts negotiated nationally for grants to be disbursed by community foundations
- Enhancing and raising the national profile of community foundations
- Increasing capabilities and capacities of community foundations leading to increased efficiency and effectiveness, including the provision of IT.
- Managing the Fair Share Trust programme so that Agents build social capital, community capacity and enhance liveability in some of the most disadvantaged communities in the UK
- Supporting new community foundation formation so that we maintain/enhance national coverage

When winning new contracts, CFN can act as a broker, introducing clients to community foundations with whom they transact direct. CFN also positions community foundations so that they are well placed to win contract business, as with the Grassroots Grants programme. More recently CFN has been successful in winning contracts where CFN manages the primary funding relationship and CFN then awards grants on behalf of donors or other funders to community foundations for disbursement in the communities they serve. The grant making policy for each programme is set in accordance with the specific aims and objectives of the funder and these are communicated to community foundations through formal grant offer letters. Monitoring and evaluation reports are required for all grants – the requirements of each donor and the size and time frame for the grants determine the exact nature of the reporting. Site visits are an important component in the monitoring process for larger multi year grants. The Fair Share Trust programme is governed by a Trust Deed and the grant making requirements are set out in a detailed Guidance Manual and formal service level agreements.

4. Achievements and performance

The CFN Board agreed the charity's three-year plan in February 2008 for the period April 2008 to March 2011 in line with our usual planning cycle.

Vision

Our vision for the network of community foundations is to see members in aggregate and individually providing a unique channel for donors of all kinds to engage with their communities on a lasting basis.

Community foundations will be seen as catalysts of social change, making philanthropy compelling and helping make communities better places to live, work and do business. Community foundations will be funding, connecting and convening effective charitable activity that creates stronger and more cohesive communities.

Our vision for CFN is for an organisation that speaks authoritatively for members, adds value to the work of members and leads the national development of the movement

Goals

Our goals for the plan period were:

- By 2011, a national network of community foundations: each equipped to grow endowment at an accelerating rate and manage significant donor relationships
- Community Foundation movement well known and visible as a key part of the UK's philanthropic infrastructure meeting high organisational standards.
- Individually and collectively community foundations leading social change by convening and funding activity at a community level and connecting with other agencies at regional and national levels.

Strategies

The key strategies within the plan were:

- Increased profile, Influence and partnerships
- Network development
- Grant making programmes
- Network efficiency and effectiveness – shareware projects
- Next generation Information Technology (IT)

The achievements during the year were:

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Increased public profile and influence:

As part of this strategy we set objectives and targets that reflected our intent to make more people aware of the capabilities and opportunities that exist within the network of community foundations so that more people and organisations will commit resources to strengthening communities through community philanthropy and community foundations.

The key achievements in the year were:

- The government announcing its investment of £130m in community based charitable work and philanthropy development as part of its Grassroots Grants programme and subsequently an additional £16m recession related Targeted Support Fund. CFN first submitted papers suggesting a scheme of this nature as part of the Third Sector Review in 2006/07.
- Developing relationships with other government departments highlighting the scope for bottom up community led responses to issues, specifically, contributing to government consultations on: Quality of Life; Knives and Gangs; Preventing Violent Extremism; Community Empowerment.
- Supporting the Policy Exchange in its decision to research community philanthropy leading to "Building Bridges" a report that highlighted the critical role of philanthropic intermediaries such as community foundations
- A significant increase in the number of national and international wealth management firms with whom we are talking about the positioning of community philanthropy within their overall "philanthropy" proposition.
- The creation of a Professional Advisers Council for CFN to provide a forum that is of value to advisers interested in philanthropy and also is available to help shape CFN's strategy to get philanthropy on the agenda of more advisors with community philanthropy having significant profile

Network Development

As part of this strategy we set objectives and targets that reflect our charitable objective to contribute to the effectiveness and efficiency of community foundations. Much of our other work is predicated on the existence of a strong and consistent network of community foundations that deliver significant charitable public benefit in the communities that they serve.

The key achievements in the year were

- Working with the Institute for Philanthropy to equip and train staff from over 25 community foundations to manage high value donor relationships and deliver strategic philanthropy advice.
- Developing and implementing the plan for the next iteration of Quality Accreditation to deliver agreed business benefits and consistent services
- Provide capacity building resources in areas where Quality Accreditation 2007 showed gaps, in particular working with the top-performing community foundations so that they are better able to share their learning with others in areas such as governance, IT and donor development.
- Improving the impact of network services, in particular revamping our online database of important and useful documents (the hub) and developing our information services capacity to include communications for professional advisers and trustees.

Grant making programmes

As part of this strategy we set objectives and targets that reflect the importance of national programmes to the development of the network of community foundations and the fact that winning financial investment in national community based programmes is clear evidence of our success in promoting and developing the effectiveness of the network.

The key achievements in the year were

- Successfully supporting members who won the mandates to deliver over 90% of the governments £50m investment in incentivising the development of new endowment and £80m in community based grants
- The successful delivery of a £4m programme to help Sport Relief make effective use of their funding at a national community level. This has led to a commitment of £6m for 2009/10.
- A further £760,000 of grants won from a number of public and private sector funders

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For the year ended 31 March 2009

The Fair Share Trust also delivers a significant lottery funded programme and is the subject of a separate report including an independent review by the scheme's "Protector". All parties to this programme, designed to build the capacities of the UK's most disadvantaged and lowest capacity communities, recognise that the programme has ambitious outcomes and is operationally challenging, given the requirement to devolve decision making power to the local level. In the year the programme has performed well with the early drafts of the Big Lottery's independent evaluation being positive and with the Lottery increasingly referring to the programme in high profile events as a success and as a model that has interesting learning for them and other funders.

Network efficiency and effectiveness – shareware projects

This strategy is concerned with making the community foundations in the UK more effective and efficient by capturing and sharing good practice and enabling sharing and learning at network events.

The key achievements in the year were:

- The identification of a venue and a programme for the 2009 CFN bi-ennial conference
- A successful parliamentary reception with ministerial attendance and 350 network related guests including over 50 MPs

Next Generation IT

This strategy is concerned with making the community foundations in the UK more effective and efficient through the provision of IT services and the database that underpins community foundation operations.

The key achievements in the year have been:

- Steady increase in the uptake of CFN IT services and the DIGITS database
- The delivery of on-line grant application functionality as part of the DIGITS package
- The work on next generation IT has started in earnest with CFN and Local Giving Limited working together to develop ideas that embrace web 2.0 technologies to take the impact our work to a new level. The vision is to re-use data that already passes between community foundation grantees and community foundations to web enable the grantees to give them productivity and income enhancing tools. The concept can also be extended to community organisations that are not yet grantees. Significant progress has been made with a test user group and the Charity Commission and NCVO are supportive. It is planned that the test launch of LocalGiving.com will happen in late 2009.

Good progress has been made in securing the resources required to continue CFN's work. CFN received the third year's contribution from the Office of the Third Sector as part of a three-year strategic commitment to core cost funding and was also advised that this has been extended for a further two years.

5. Financial review and investment

The principal sources of funding during the year for CFN were:

- The Office of the Third Sector (Cabinet Office)
- Membership subscriptions
- Charles Stewart Mott Foundation
- IT related subscriptions

CFN is a strategic partner of the Office of the Third Sector (OTS) and this relationship includes vital grant support that has helped maintain and develop activities to strengthen the network as well as providing a channel for CFN to provide information, advice and feedback to OTS on issues to do with community philanthropy and the funding of community organisations.

The Charles Stewart Mott funding supported core costs, as did membership subscriptions. The Charles Stewart Mott funding is an essential and highly valued source of funding for CFN and over many years this support has been instrumental in allowing CFN to do its work to strengthen and expand the network of community foundations in the UK. A two year grant covering 2007/08 and 2008/09 was agreed.

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It was particularly pleasing to note that for a fourth consecutive year DIGITS and IT support subscriptions and fees covered costs, leaving a small surplus available to fund future developments.

Income from the Fair Share Trust is retained within the Trust and the objects of the Trust determine its use, as is the case for the original capital settlement.

Income for the year was £2,817,000 (2008: £4,710,000). This reduction of £1,893,000 was as a result of no grant available in the year from Sport Relief, offset by a higher level of investment income. Expenditure only reduced by £316,000 to £11,129,000 (2008: £11,445,000) as a reflection of the growth in the Fair Share Trust.

Overall there was a modest increase in unrestricted funds of £6,000, excluding IT / DIGITS. Although technically not restricted the trustees regard the funds received from IT related membership as ring-fenced for investment in major future software developments.

The trustees have reviewed the reserves policy and have concluded that at any time CFN should be covered financially for 12 months, taking account of both unrestricted reserves and firm funding commitments, to ensure continuity of activity should any unforeseen funding gaps arise. The trustees believe this policy is a sensible balance between the need to maintain a secure long-term financial position and the requirement not to hold excessive charitable funds. This is estimated to be £350,000 and therefore at the end of our financial year, this policy was met.

Investment management continues to be important because of the size of the Fair Share Trust. The audit and investment sub-committee, chaired by our Treasurer, is responsible for the monitoring of this investment. This committee decided an overall asset allocation policy at the outset of the Fair Share programme, with preservation of capital the top priority. This is a low risk policy. During the year the trustees adjusted the asset allocation policy to reduce risk further as the programme gets closer to its end date in 2013. This has been a turbulent year for investments and the unrealised loss on the Fair Share Trust portfolio has been £1.2m. Notwithstanding these numbers the trustees are comfortable with the processes in place for the management of the investments and are pleased that the programme is still showing a significant notional surplus of assets over liabilities.

6. Plans for the future period

Our plan for 2009 and beyond builds on the achievements to date, the key new developments being:

- An increased focus on CFN developing community philanthropy and the role of community foundations as the critical enablers of and infrastructure for local people who want to engage in and fund charitable activity. Specifically this will see CFN launch a manifesto for community philanthropy and seeking to use its influence as the sole corporate member of the Beacon Fellowship Charitable Trust (effective 1 April 2009) to shape the development of an effective philanthropists' network(s) nationally and locally.
- The test launch of LocalGiving.com and significant progress made on the replacement of the current DIGITS database provided to community foundations with a new web-enabled version that is integrated with LocalGiving.com
- Fair Share Trust delivery continuing with an increasing focus on leveraging the lessons learned as the half way point BIG lottery evaluation report is published and disseminated. The lottery is already talking about this report having relevance to the political debate around community empowerment and "double devolution".
- CFN re-organising to focus more on those activities that are likely to be the most sustainable once the OTS grant funding expires ie building what we have called a "grants practice" to generate significantly more funds for members in a way that allows for costs to be better recovered and also a "philanthropy practice" charged with building on the work that we do to create opportunities for members with professional advisers and individual philanthropists in such a way that CFN can also recover/recoup more of its costs.
- The successful delivery of a contract won in early 2009 to support the successful achievement of the Grassroots Grants endowment challenge

Community Foundation Network (CFN)

Report of the board

For the year ended 31 March 2009

7. Statement of responsibilities of the board

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the group and charity and of the income and expenditure of the group and charity for that period. In preparing these financial statements the board is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and charity and which enables the trustees to ensure that the financial statements comply with the Companies Act 1985. The Board is also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Audit information

So far as each of the trustees at the time the trustees' report is approved is aware:

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

Community Foundation Network

Legal and administrative details

For the year ended 31 March 2009

Members of the board

Members of the Board, who are also trustees under charity law, who served during the year and up to the date of this report were as follows:

Michael Benson (resigned 24 September 2008)	Kate Kingdon (resigned 28 February 2009)
Matthew Bowcock	James Magowan
Anne Boyd (resigned 19 November 2008)	Kate Mulkern
John Briggs	Rory Murphy (resigned 24 September 2008)
David Brown (appointed 19 November 2008)	Dave Roberts (resigned 28 February 2009)
Hamish Buchan (appointed 19 November 2008)	Marcelle Speller (co-opted 24 September 2008)
Clive Cutbill (appointed 19 November 2008)	Professor Murray Stewart (appointed 19 November 2008)
Amanda Delew	Laura Warren
Kate Hinks	Sonia Waugh (appointed 19 November 2008)
David Kenworthy (resigned 19 November 2008)	

Appointment of members of the board

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2009 was 12 (2008 - 12).

Members of the board have no beneficial interest in the group or charity.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Approved by the board on September 2009 and signed on behalf of the trustees by

Matthew Bowcock - Chairman

Independent Auditors' Report

To the Members of Community Foundation Network

We have audited the group and parent charitable company financial statements (the "financial statements") of Community Foundation Network for the year ended 31st March 2009 which comprise the Group and Charitable Company Statements of Financial Activities, the Group and Charitable Company Balance Sheets and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the trustees (who are also the directors of Community Foundation Network for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

The financial statements have been audited in accordance with the Companies Act 1985. As required by the Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008, the consolidated financial statements have also been audited in accordance with section 43 of the Charities Act 1993 and we therefore also report in accordance with regulations made under Section 44 of that Act in respect of the consolidated financial statements.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the Charities Act 1993 and whether the information given in the Trustees' Annual Report is consistent with those financial statements. We also report to you whether, in our opinion, the charitable company has not kept proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions with the charity and other members of the group is not disclosed.

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

Basis of Audit Opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report

To the Members of Community Foundation Network

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and the
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

Devonshire House
60 Goswell Road
London EC1M 7AD
Date:

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Community Foundation Network

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the Year Ended 31 March 2009

	Notes	Restricted £'000	Unrestricted £'000	2009 Total £'000	2008 Total £'000
Incoming resources					
<i>Incoming resources from charitable activities</i>					
Donations and grants	3a	467	266	733	3,216
Subscriptions		-	95	95	78
Other income	3b	-	130	130	122
<i>Investment income and interest</i>	4	1,839	20	1,859	1,294
Total incoming resources		2,306	511	2,817	4,710
Resources expended					
Cost of generating funds:	8	-	7	7	7
Charitable Activities					
Fair Share	6	10,114	-	10,114	8,008
ICT Services	6	-	69	69	74
Member Services	6	-	401	401	392
Other Programmes	6	492	-	492	2,923
Governance	7	31	15	46	41
Total charitable expenditure		10,637	485	11,122	11,438
Total resources expended		10,637	492	11,129	11,445
Net outgoing resources		(8,331)	19	(8,312)	(6,735)
Realised gains/(losses) on Investments		(130)	-	(130)	97
Net expenditure for the year		(8,461)	19	(8,442)	(6,638)
Unrealised gains/(losses) on Investments		(1,246)	(13)	(1,259)	(554)
Net movement in funds		(9,707)	6	(9,701)	(7,192)
Funds at 1 April 2008		35,265	346	35,611	42,803
Funds at 31 March 2009		25,558	352	25,910	35,611
		(note 17)	(note 18)		

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Community Foundation Network

Statement of financial activities

(incorporating an income and expenditure account)

For the Year Ended 31 March 2009

	Notes	Restricted £'000	Unrestricted £'000	2009 Total £'000	2008 Total £'000
Incoming resources					
Incoming resources from charitable activities					
Donations and grants	3a	467	266	733	3,216
Subscriptions		-	95	95	78
Other Income	3b	-	130	130	122
Investment Income and Interest	4	-	20	20	37
Total incoming resources		467	511	978	3,453
Resources expended					
Cost of generating funds:	8	-	7	7	7
Charitable activities					
Projects and Programmes	6	492	-	492	2,923
ICT Services	6	-	69	69	74
Member Services	6	-	401	401	392
Governance	7	-	15	15	15
Total charitable expenditure		492	485	977	3,404
Total resources expended		492	492	984	3,411
Net incoming/(outgoing) resources		(25)	19	(6)	42
Realised gains/(losses) on Investments		-	-	-	-
Net (expenditure)/income for the year		(25)	19	(6)	42
Unrealised gains/(losses) on Investments		-	(13)	(13)	(12)
Net movement in funds		(25)	6	(19)	30
Funds at 1 April 2008		85	346	431	401
Funds at 31 March 2009		60	352	412	431
		(note 17)	(note 18)		

Community Foundation Network

Balance sheets

31 March 2009

	Note	The group 2009 £'000	2008 £'000	The charity 2009 £'000	2008 £'000
Fixed assets					
Tangible fixed assets	11	1	2	1	2
Fixed asset investments	12	<u>20,947</u>	<u>30,757</u>	<u>28</u>	<u>41</u>
		<u>20,948</u>	<u>30,759</u>	<u>29</u>	<u>43</u>
Current assets					
Debtors & prepayments	13	65	24	4	115
Cash at bank and in hand		<u>4,953</u>	<u>4,940</u>	<u>444</u>	<u>385</u>
		5,018	4,964	448	500
Current liabilities: amounts falling due within one year	14	<u>56</u>	<u>112</u>	<u>65</u>	<u>112</u>
Net current assets		<u>4,962</u>	<u>4,852</u>	<u>383</u>	<u>388</u>
Net assets	19	<u>25,910</u>	<u>35,611</u>	<u>412</u>	<u>431</u>
Funds					
Restricted funds	17	25,558	35,265	60	85
Unrestricted funds	18	<u>352</u>	<u>346</u>	<u>352</u>	<u>346</u>
Total funds		<u>25,910</u>	<u>35,611</u>	<u>412</u>	<u>431</u>

Approved by the board on September 2009 and signed on behalf of the trustees by

Matthew Bowcock - Chair

Community Foundation Network

Notes to the financial statements

For the year ended 31 March 2009

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention (with the exception of investments which are stated at valuation) and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in 2005). These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiary Fair Share Trust. A separate statement of financial activities for the charitable company is also included.
- b) Voluntary income received by way of subscriptions, donations and gifts to the charity is included in full in the statement of financial activities when receivable. Intangible income is recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.
- c) Grants are recognised in full in the statement of financial activities in the year in which they are receivable. Grants made are recognised at the time they are paid, once conditions have been satisfied.
- d) Income generated from the supply of goods or services is included in the statement of financial activities in the period in which the supply is made.
- e) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund. Investment income on restricted funds is treated either as restricted or unrestricted depending on the wishes of the original donor.
- f) Unrestricted funds are donations and other income received or generated for charitable purposes.
- g) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- h) Governance costs of the charity include the costs of running the charity such as the costs of meetings, audit and statutory compliance.
- i) Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, which is 3 years. Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.
- j) The charitable company makes payments to defined contribution pension schemes on behalf of employees. The contributions are treated as an expense in the year in which they are payable. The charity has no other obligation under these schemes aside from the contingent liability as explained in Note 20.
- k) Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Community Foundation Network

Notes to the financial statements

For the year ended 31 March 2009

- l) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the lease duration.
- m) Costs are allocated directly to activities on the basis of staff time spent on each. Consequently there is no cost category called "support costs".

2. Taxation

The charity is exempt from corporation tax under section 505 of the Income and Corporation Taxes Act 1988 as all its income is applied to charitable purposes.

3a. Donations and grants

	Restricted £'000	Unrestricted £'000	2009 Total £'000	2008 Total £'000
C S Mott Foundation		56	56	63
Home Office		210	210	205
Barclays Wealth	240	-	240	200
BASSAC - Collaboration Benefits	39	-	39	-
MARS in the Community	22	-	22	-
Capacity Builders	-	-	-	441
Royal Bank of Scotland	-	-	-	30
Sport Relief	-	-	-	2,235
Big Lottery Fund (BASIS SW)	166	-	166	42
	<u>467</u>	<u>266</u>	<u>733</u>	<u>3,216</u>

3b. Other income

	Restricted £'000	Unrestricted £'000	2009 Total £'000	2008 Total £'000
Miscellaneous	-	39	39	31
ICT Training and Consultancy	-	91	91	91
	<u>-</u>	<u>130</u>	<u>130</u>	<u>122</u>

4. Investment income

	Restricted £'000	Unrestricted £'000	2009 Total £'000	2008 Total £'000
Consolidated				
UK Common investment funds	161	2	163	178
Fixed Income investments	1,544	-	1,544	477
Bank interest	134	18	152	639
	<u>1,839</u>	<u>20</u>	<u>1,859</u>	<u>1,294</u>

Community Foundation Network

Notes to the financial statements

For the year ended 31 March 2009

5. Grants payable	2009	2008
	Total	Total
	£'000	£'000
(i) Fair Share Trust		
Bedfordshire & Luton Community Foundation	232	212
The Birmingham Community Foundation	423	316
Blackpool, Wyre & Fylde CVS	211	115
Burnley, Pendle and Rossendale CVS	59	-
Cambridgeshire Community Foundation	148	-
Cheshire Community Action	160	119
Community Connections	59	26
Community Foundation for Bournemouth, Dorset and Poole	133	53
County Durham Foundation	102	105
Derbyshire Community Foundation	291	119
East London Community Foundation	83	72
Essex Community Foundation	243	125
Community Foundation for Greater Manchester	1,144	570
Hull City Ventures	137	129
Lincolnshire Community Foundation	246	127
Merseyside Community Foundation	583	766
Northern Ireland Community Foundation	740	404
Nottinghamshire Community Foundation	223	55
Peterborough CVS	-	34
Quartet Community Foundation	27	90
Scarman Trust	113	356
Scottish Community Foundation	1,495	1,633
Shropshire & Telford Community Foundation	84	89
Solihull Community Foundation	-	43
South Yorkshire Community Foundation	404	312
Suffolk Acre	255	103
Tees Valley Community Foundation	247	178
Community Foundation for Tyne & Wear	273	151
The Community Foundation in Wales	603	415
West Lancashire CVS	116	13
Community Foundation for Wiltshire & Swindon	102	99
	8,936	6,829
(ii) Sport Relief		
Action in Rural Sussex	-	65
Bedfordshire & Luton Community Foundation	-	20
Berkshire Community Foundation	-	25
The Birmingham Community Foundation	-	88
Community Foundation for Bournemouth, Dorset and Poole	-	25
Buckinghamshire Community Foundation	-	15
Cambridgeshire Community Foundation	-	25
Capital Community Foundation	-	89
Cheshire Community Action	-	30
Community Foundation for Calderdale	-	45
Community Foundation for Greater Manchester	-	95
Leeds Community Foundation	-	40
Community Foundation for Merseyside	-	100
Community Foundation for Northern Ireland	-	75
Community Foundation for Shropshire & Telford	-	15

Community Foundation Network

Notes to the financial statements

For the year ended 31 March 2009

Community Foundation for Tyne & Wear and Northumberland	-	65
Community Foundation for Wiltshire & Swindon	-	20
Cornwall Community Foundation	-	15
County Durham Foundation	-	20
Cumbria Community Foundation	-	20
Derbyshire Community Foundation	-	32
Devon Community Foundation	-	55
Essex Community Foundation	-	50
Gloucestershire Community Foundation	-	20
Hampshire & Isle of Wight Community Foundation	-	75
Heart of England Community Foundation	-	25
Herefordshire Community Foundation	-	10
Hertfordshire Community Foundation	-	35
Hull City Ventures	-	35
Kent Community Foundation	-	55
Leicestershire, Leicester and Rutland Community Foundation	-	32
Lincolnshire Community Foundation	-	30
East London Community Foundation	-	42
Milton Keynes Community Foundation	-	10
Norfolk Rural Community Council	-	25
North West London Community Foundation	-	60
Northamptonshire Community Foundation	-	20
Nottinghamshire Community Foundation	-	51
Oxfordshire Community Foundation	-	20
Quartet Community Foundation	-	50
Scottish Community Foundation	-	185
Solihull Community Foundation	-	7
Somerset Community Foundation	-	15
South Yorkshire Community Foundation	-	45
St Katharine and Shadwell Trust	-	5
Surrey Community Foundation	-	35
Tees Valley Community Foundation	-	20
Thames Community Foundation	-	44
The Suffolk Foundation	-	40
The Community Foundation in Wales	-	115
Voluntary Action Stoke on Trent	-	35
Worcestershire Community Foundation	-	15
York and North Yorkshire Community Foundation	-	25

- 2,210

(iii) Capacity Builders

Community Foundation for Calderdale	-	55
Cornwall Community Foundation	-	69
County Durham Foundation	-	55
Leicester, Leicestershire & Rutland Community Foundation	-	37
Milton Keynes Community Foundation	-	45
South Yorkshire Community Foundation	-	55
St Katharine & Shadwell Trust	-	55
Tees Valley Community Foundation	-	55
Community Foundation for Shropshire & Telford	-	5

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(iv) Barclays Wealth

The Birmingham Community Foundation	-	55
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Community Foundation Network

Notes to the financial statements

For the year ended 31 March 2009

Community Foundation for Merseyside	30	-
Community Foundation for Bournemouth, Dorset and Poole	30	-
Community Foundation for Greater Manchester	35	35
Community Foundation for Northern Ireland	20	-
Leeds Community Foundation	50	-
Quartet Community Foundation	55	50
Scottish Community Foundation	20	60
	240	200

(v) BASIS

Community Foundation for Bournemouth, Dorset and Poole	22	-
Community Foundation for Wiltshire & Swindon	22	-
The Cornwall Community Foundation	22	-
Devon Community Foundation	22	-
Gloucestershire Community Foundation	22	-
Quartet Community Foundation	22	-
Somerset Community Foundation	22	-
	154	-
	9,330	9,670

Community Foundation Network

Notes to the financial statements

For the year ended 31 March 2009

6. Charitable activities

	Grants (note 5) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Profile & publicity £'000	Local partners £'000	2009 Total £'000	2008 Total £'000
Fair Share	8,936	197	95	-	886	10,114	8,008
ICT project - charity	-	58	11	-	-	69	74
Member services - charity	-	186	194	21	-	401	392
<i>Other programmes</i>							
Capacity Builders		12	14	-	-	26	459
Barclays Wealth	240	-	-	-	-	240	200
Conference	-	-	3	-	-	3	29
MARS in the Community	-	3	-	-	-	3	-
Collaboration Benefits	-	36	3	-	-	39	-
BASIS	154	10	3	-	-	167	-
Sport Relief	-	-	14	-	-	14	2,235
<i>Total for Other Programmes</i>	394	61	37	-	-	492	2,923
2009 Total	9,330	502	337	21	886	11,076	11,396

7. Governance

	Staff costs and consultancy	Office and running costs	Audit fees	2009 Total £'000	2008 Total £'000
Central costs - charity	7	-	8	15	15
Fair Share	-	25	6	31	26
2009 Total	7	25	14	46	41

Protector

The Fair Share Trust

July 30th 2009

Report of the Protector for the year ended March 31st 2009

I was appointed Protector of the Fair Share Trust on 24th June 2003. Pursuant to the Trust Deed constituting the Fair Share Trust I am required to prepare a statement for publication by the Trustee (The Community Foundation Network "CFN") in its annual report explaining the Protector's function, how it has been exercised and, if appropriate, identifying any areas of administration which require improvement and the steps to be taken by the Trustee to effect such improvement.

The function of the Protector is to ensure that the Trustee administers the Trust properly and to protect the Trust property. The Trust property consists of a portfolio of investments which were derived from the gift to the Trust by the Big Lottery Fund (herein also referred to as "BIG") of £50 million. If necessary the Protector must report matters of serious concern to the Big Lottery Fund or the Charity Commission. The Protector therefore has a "watch-dog" role and must monitor the Trustee and prevent it from abusing its powers and breaching its duties. More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and can give or withhold consent or approval to the exercise of certain powers by the Trustee.

The Objects of the Trust are to promote community capacity building and urban and rural regeneration. The permitted methods of achieving the Objects are widely drawn. The Trust Deed also contains an "expression of wishes" of the Big Lottery Fund (that the Trustee may have regard to) that sets out the guiding principles that the Big Lottery Fund wish to be observed.

The Fair Share Trust programme is ambitious. The Trustee is required to distribute money by way of grant out of its trust property for the Objects in 70 localities (called "Fair Share Areas") in the United Kingdom. The Fair Share Areas have been identified as areas suffering considerable deprivation which have previously received less National Lottery funding than other areas within the United Kingdom. Each area is allocated a fixed percentage of the trust fund and all money is required to be distributed within a 10 year period.

All of this requires the Trustee to establish and maintain an elaborate and effective infrastructure within a demanding timetable to enable distribution of all Trust monies during the life time of the Trust which in turn requires continuity and consistency of management both within CFN and in the Fair Share areas where Local Agents distribute Trust money on behalf of the Trustee.

In the last year I have had a number of meetings with representatives of the Big Lottery Fund and with executives and trustees of CFN. I have attended two Fair Share Trust Committee meetings and a Fair Share Trust Conference in Scotland. I have visited Fair Share areas in Rotherham, Wansbeck, Peterborough and Brent.

In my 2008 Report I referred to three areas which required continuing attention by CFN being 1) strengthening management resources and, in particular, the need to appoint two new programme officers, 2) the need to improve the IT based management information system and 3) the need for closer liaison with the Big Lottery Fund.

With regard to 1) I am pleased that two programme officers for Fair Share were appointed by CFN in the year to support the programme manager.

With regard to 2) progress has been slow but steady. I hope to see continuing improvements, particularly as the amount of data will increase greatly.

With regard to 3) there have been efforts by both parties to improve liaison but CFN must remain pro-active. I refer to this in more detail below.

Delivery is proceeding satisfactorily. Funds distributed to Local Agents were £29.3 million at 24th June 2009 (the sixth anniversary of the start of the programme) as against £20.6 million distributed by 24th June 2008. I am pleased that the Fair Share Trust grants have been matched to date by more than £18m of funding from other sources.

In my 2008 report I stated that, based on my visits to Fair Share areas, it was becoming increasingly clear that the quality of the local infrastructure (by which I mean the Local Agent and the Local Panel or Panels they supervise) would be the key determinant of the quality of the programme. I suggested that CFN should therefore develop more granularity in its risk analysis to highlight the strengths and weaknesses of both Local Agents and Local Panels. I think considerable progress has been made on granularity by CFN through the introduction of templates to record detailed and targeted key performance indicators. Provided this information is regularly updated and monitored it should act as a valuable early warning system.

During the year the Local Agent for Brent was replaced by the North West London Community Foundation. This was a delegation to which I consented under Clause 9 of the Trust Deed. It is also worth noting that I included Brent in my visits for the year as this is the second change to the Local Agent for the area. The Local Agents for North Solihull and Enfield were also replaced respectively by Birmingham Community Foundation and East London Community Foundation. On each occasion the actions taken by CFN seemed timely and appropriate, involving in each case a proactive response to the growing level of risk demonstrated by their key performance indicators and a discussion with the agents about the demands of the programme, their capacities and their organisations' commitment to the programme. I am concerned, however, that my consent was not obtained before the latter two agents were appointed as required by the trust deed. I accept that this was an oversight. Board members should review their governance procedures to ensure that this does not happen again. In the meantime, I have reviewed the due diligence undertaken with respect to these agents before they were appointed and I am happy to confirm my approval to these arrangements continuing.

In earlier reports I have made clear that CFN must remain committed to the continuing improvement of monitoring and controls to manage the risks inherent in the delegated structure of Fair Share Trust. The Board of CFN are personally responsible for ensuring this. They have delegated certain responsibilities to the Fair Share Trust Committee which is chaired by a Board member. It is important that this committee is attended by all nominees and, in relation to risk, reviews regularly the detailed information underlying the risk register so that all members of the committee participate fully in the risk assessment. The Board of CFN in turn need to understand the risk management process and accept responsibility for it.

In my earlier reports I have suggested that it was important that, throughout the remaining life of the programme, the formal reporting procedures be supplemented by visits to Fair Share areas

by Board members, senior CFN officers and the audit team. I understand these supplemental visits continue and I look forward to seeing continuing evidence of this engagement in the year ahead.

In my 2008 report I stressed the importance of CFN and BIG working well together on arrangements for the later stages of the programme. I particularly referred to three areas being 1) the finalisation of end of programme processes; 2) the development of sustainability strategies for each Fair Share area; and 3) the extraction of learning from an appropriate evaluation process.

Although considerable progress has been made by each party separately (and to a large extent this separateness is appropriate to maintain accountability) it seems to me that the process would benefit from more co-ordination at senior level. This will prevent duplication of effort and reduce the scope for misunderstandings.

To take one example BIG has commissioned and now received a major evaluation report by an independent consultancy on the first five years of Fair Share Trust. To maximise the benefit of this it would seem appropriate that there is an early discussion between BIG and CFN on the important issues raised by the report to enable the remaining period of the programme to benefit from any change or addition agreed by the parties to be appropriate. This could also form the basis of a discussion between the parties about future national and local evaluation processes and responsibility thereof.

CFN will shortly be agreeing Priority Documents with Local Agents relating to the final period of Fair Share Trust. It is essential that CFN agree with each Local Agent the end of programme procedures, including the responsibility, inter alia, for evaluation and for termination costs.

In my 2008 report I said that I intended to review this year the process by which CFN takes decisions on its investment policy for Fair Share Trust funds. When the Fair Share Trust was established CFN appointed an Investment Committee, largely comprising independent experts, to advise on the investment of the funds pending distribution. I attended meetings of the Investment Committee from time to time and formed the view that it was performing satisfactorily. Recently, however, it has become clear that there was a need for greater co-ordination with CFN officers on the distribution profile of the fund and action was taken to remedy this. I will review this again in due course.

The investment of the funds has produced a small "surplus" over the £50 million to be distributed. In my view there was a lack of clarity on when any "surplus" could be calculated and distributed. I advised CFN to obtain separate legal advice. Advice has now been obtained from CFN's solicitors to the effect that CFN has wide discretion in relation to the distribution of surplus but they caution that some of the funds should be with-held by CFN for contingencies. This seems prudent. The solicitors also refer to the fact that CFN currently has no authority to place the remaining funds on deposit for the remainder of the term of the Fair Share Trust and have suggested that the Trust Deed be amended to allow this. I am happy to agree to this, subject to the agreement of BIG.

Mark Nicholls

Protector, Fair Share Trust