

## Local Trust

# Annual report and financial statements for the period ended 31 March 2012

company number 7833396, charity number 1147511

Page	Contents
2	Charity and company details
3 - 10	Trustees' report
11	Independent auditors report
13	Consolidated statement of financial activities
14	Balance sheet
15	Consolidated cash flow statement
16 - 19	Notes to the accounts
20	Big Local Trust protector report

## Local Trust

### Charity and company details

The trustees of Local Trust for the purposes of the Charities Act 2011 and the Companies Act 2006 submit their annual report and the financial statements for the period ended 31 March 2012.

**Local Trust registered company number** 7833396

**Local Trust registered charity number** 1147511

#### **Registered office and principal address**

Unit 5, Angel Gate, 320-326 City Road, London, EC1V 2PT

#### **Trustees**

Maria Adebawale (appointed 3/11/11, resigned 26/3/12)

Michael Arthur Hamilton (appointed 3/11/11)

Kathryn Kane (appointed 19/12/12)

Benjamin Yat Meng Lee (appointed 3/11/11)

Peter Ensell Mills (appointed 19/12/12)

Clifford James Prior (appointed 3/11/11)

Andrew John Robinson (appointed 3/11/11)

Alison Margaret Seabrooke (appointed 3/11/11)

Penelope Anne Shepherd (appointed 19/12/12)

John Kevin Sugrue (appointed 3/11/11)

Jonathan Michael Taylor (appointed 19/12/12)

John David Whitton (appointed 19/12/12)

#### **Chief executive**

Debbie Ladds

#### **Auditors (from 19 December 2012)**

Crowe Clark Whitehill LLP

St Bride's House

10 Salisbury Square

London EC4Y 8EH

#### **Financial advisors (30 April – September 2012)**

Sayer Vincent

8 Angel Gate

City Road

London EC1V 2SJ

#### **Banker (from 16 February 2012)**

The Co-operative Bank PLC

1 Islington High Street

London N1 9TR

#### **Investment manager (from 27 March 2012)**

CCLA

Senator House

85 Queen Victoria Street

London EC4V 4ET

#### **Solicitors (from 4 April 2012)**

Withers LLP

16 Old Bailey

London EC4M 7EG

#### **Custodian (from 1 July 2012)**

Northern Trust

50 Bank Street

Canary Wharf

London E14 5NT

## Local Trust

### Trustees' report for the period to 31 March 2012

#### 1. Structure, governance and management

##### 1.1 Structure

In July 2011, the Big Lottery Fund (BIG) appointed the Community Development Foundation (CDF) to establish a new organisation to be the corporate trustee of the Big Local Trust and to administer and deliver the Big Local programme in 150 small communities throughout England.

CDF and the partners (Capacity Global, CCLA, the Institute for Voluntary Action Research (IVAR), the National Association of Neighbourhood Management (NANM), Renaisi, and UnLtd – the Foundation for Social Entrepreneurs) established Local Trust on 3 November 2011.

Local Trust is a company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011. It has no share capital and the liability of each member in the event of winding-up is limited to £1. Local Trust was registered with the Charity Commission on 30 May 2012.

##### 1.2 Governance

Local Trust is governed by a board of trustees. The founding trustees of Local Trust and the trustees who have acted up to the date of this report are listed on page 2. Maria Adebawale resigned as a trustee on 26 March 2012.

The founding trustees of Local Trust were proposed by the consortium of organisations that put the proposals to BIG for the establishment of Local Trust. This provided initial momentum, continuity and expertise in the early days; and the founding trustees acknowledged the interests this created and therefore pursued the appointment of independent trustees as a priority. In accordance with the memorandum and articles of association, and the resolution of the Local Trust board, open recruitment for the vacant trustee positions took place during the summer of 2012 and five additional trustees were appointed at the AGM on 19 December 2012. The additional trustees provide a range of skills and experiences to broaden and deepen the skills of the founding trustees. Trustees can serve for three, three year terms in total.

All trustees were provided with training through a number of induction, briefing and learning sessions provided by the chair of the board, the chief executive, solicitors and the fund manager.

From November 2011 until June 2012 trustees met monthly to ensure the timely and appropriate establishment of Local Trust. From July 2012 onwards, trustees met quarterly. There are currently no sub-committees of the board, which will be reviewed during 2013.

No trustee received a payment from Local Trust for them to act as a trustee and in the reporting period no expenses were paid to trustees for carrying out their role as a trustee.

Of the founding trustees:

- Maria Adebawale is the director at Capacity Global, a delivery partner for Big Local
- Michael Hamilton is a trustee of CDF, a delivery partner for Big Local and the landlord of Local Trust
- Ben Lee is a director at Shared Intelligence and the National Association for Neighbourhood Management, a delivery partner for Big Local
- Cliff Prior is the chief executive at UnLtd which is co-funding Star People and a delivery partner for Big Local



## Local Trust

### Trustees' report (continued)

- Andrew Robinson is a director at CCLA, the fund managers for the Big Local Trust; and he is a trustee of CDF, a delivery partner for Big Local and the landlord of Local Trust
- Alison Seabrooke is the chief executive at CDF, a delivery partner for Big Local and the landlord of Local Trust
- Kevin Sugrue used to be the chief executive at Renaisi, a delivery partner for Big Local but had left Renaisi before any submission was made to BIG.

IVAR chose not to nominate someone to be a trustee of Local Trust.

#### 1.3 Responsibilities of trustees

The trustees are responsible 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). Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company, the charity and the group and of the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the company, the charity and the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Each of the trustees has confirmed that so far as he / she is aware, there is no relevant audit information of which the company's auditors are unaware, and that he / she has taken all the steps that he / she ought to have taken as a trustee in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### 1.4 Management

Trustees delegated the day to day running of Local Trust to the chief executive in line with the relevant policies and procedures developed and agreed by the board, including a finance manual and staff handbook containing all financial and personnel policies and procedures including risk management. Grant making policies and procedures related to Big Local Trust were based on the

## Local Trust

### Trustees' report (continued)

draft business plan and manual of regulations submitted to BIG as part of the application process to establish Local Trust and Big Local Trust and to develop the Big Local programme.

#### 1.5 Risk management

Local Trust has a structured approach to risk management which:

- focuses on high risk areas of operation, not just financial risks
- helps staff find improved ways of working and of achieving the charity's objectives
- focuses on current operations, identifying future actions and responses to identified risks
- cuts across boundaries, looking at charity-wide issues
- develops knowledge of controls among staff to manage identified risks and eliminate pointless procedures.

The chief executive is responsible for conducting a comprehensive risk analysis, making recommendations to trustees in line with the above approach. Local Trust maintains a risk register, which it reviews quarterly. The risk register is used by staff to manage key risks and is also used to inform the audit planning process.

Key risks and uncertainties managed by the trustees and the chief executive included recognition that because Local Trust is a new organisation it would need support from partners with relevant experience, and to have a focus on improving organisation and programme design as work progressed. It was also agreed to have clarity and transparency on governance and delivery and to ensure active discussion with trustees, BIG and the protector on ways to mitigate risks for Big Local Trust. In terms of the potential bureaucracy associated with Big Local as an England wide programme, it was agreed to develop systems with the specific intention of not swamping community activity, whilst ensuring the appropriate management of funds.

#### 1.6 Big Local Trust

Big Local Trust was established by Local Trust and the Big Lottery Fund (BIG) with a National Lottery grant of £196,873,499. Big Local Trust was registered with the Charity Commission on 15 February 2012 as an unincorporated charity governed by a trust deed dated 13 February 2012.

Local Trust is the corporate trustee of the Big Local Trust, BIG is the founder of Big Local Trust.

The Big Local Trust has a protector who has a fiduciary duty to ensure the integrity of the administration of the Big Local Trust and the propriety of its procedures, and if necessary report matters of serious concern to BIG as the founder or to the Charity Commission. Peter Thurston BA FCA was appointed as protector by the Big Lottery Fund in 2011. The appointment is for a maximum term of five years and the protector may serve for an unlimited number of terms. The protector can receive from the Trust an annual remuneration of £15,000 plus reasonable out of pocket expenses incurred in carrying out the role.

All the activities of Big Local Trust are promoted under the Local Trust brand. The programme, Big Local is funded by Big Local Trust.



# Local Trust

## Trustees' report (continued)

### 1.7 Big Local

Big Local is an exciting opportunity for residents in 150 small geographic areas around England to use at least £1m to make a massive and lasting positive difference to their communities. It is about bringing together all the local talent, ambitions, skills and energy from individuals, groups and organisations who want to make their area an even better place to live.

The Big Local areas have been identified by BIG as ones that have previously been overlooked for funding and investment that face a range of different issues which need support.

A range of national partners and locally trusted organisations support the Big Local programme.

## 2 Objectives, activities and achievements

In compliance with the memorandum and articles of association, this report sets out the work of Local Trust in accordance with its powers and in the furtherance of its objects, and the work of Local Trust as the corporate trustee of Big Local Trust in accordance with the governing trust deed.

### 2.1 Local Trust objects

The objects as stipulated in the Local Trust articles of association are:

'... to undertake, do and perform all things the company shall consider expedient to develop the capacity and skills (including the enterprise skills) of members of socially and economically or socially disadvantaged communities in the United Kingdom in such a way that they are better able to identify, and help meet, their needs as individuals and to improve the communities in which they live, in particular by (but not limited to) local action projects, research, evaluation and policy analysis, making grants and social investments to individuals, local enterprises and communities, thereby promoting short term and long term change and the relief of unemployment.'

### 2.2 Big Local Trust objects

The objects as stipulated in the Big Local Trust - trust deed are:

'... to advance community development and the relief of unemployment for the benefit of the public in the localities in each region specified .... by making distributions to the recipients so as to develop the capacity and skills of the members of socially and economically disadvantaged communities for the benefit of the public in such a way that they are better able to identify and help meet their needs and to participate more fully in society.'

### 2.3 Activities

Local Trust activities in the period were limited to receiving a £10,000 grant to fund research and evaluation (with a view to implementation of the findings) into '....enhanced ways of delivering community development programmes....'; establishing Local Trust and acting as the corporate trustee of Big Local Trust and administering Big Local.

## Local Trust

### Trustees' report (continued)

#### 2.3.1 Research into ways of delivering community development programmes

On 22 March 2012, a £10,000 donation (restricted fund) was received from CDF by Local Trust with the specific purpose of funding research and evaluation (with a view to implementation of the findings) into '....enhanced ways of delivering community development programmes....' A further £40,000 donation for this purpose has been promised by CDF. This was in accordance with the proposal submitted to BIG by CDF (on behalf of the consortium) to establish Local Trust. Local Trust is working with CDF to ensure that the grant is spent in accordance with their wishes – laid out in the grant offer letter of 29 February 2012.

#### 2.3.2 Establishing Local Trust

Local Trust was launched on 29 February 2012, alongside the announcement of fifty 'wave 2' areas for the Big Local programme. The launch took place in one of the Big Local areas – South Bermondsey – and was attended by residents of existing Big Local areas, BIG trustees and staff and other Big Local stakeholders, including the partner organisations from the CDF led consortium. Three Big Local areas (South Bermondsey, Warwick Estate (Knottingley) and White City/Wormholt) presented their journeys through Big Local at the event.

Time was also taken during the year to establish internal systems and procedures for Local Trust to ensure it can function effectively.

#### 2.3.3 Corporate trustee role

Local Trust operated as corporate trustee of Big Local Trust in the period, and as part of this role, established investment strategies and took on the administration and management of the Big Local programme from CDF. The processes and procedures for administering the Big Local programme developed during the year in line with the proposals submitted to BIG by the consortium led by CDF and in line with the trust deed.

Key features of Big Local as specified by BIG are being followed:

- continuous, inclusive, thoughtful involvement of people locally
- accountable local partnership
- maximising long-term, inclusive benefit
- building capacity and sharing learning
- flexible and realistic planning
- additional to public money.

The four programme outcomes for Big Local are:

1. Communities will be better able to identify local needs and take action in response to them.
2. People will have increased skills and confidence, so that they continue to identify and respond to needs in the future.
3. The community will make a difference to the needs it prioritises.
4. People will feel that their area is an even better place to live.

Each of the 150 Big Local areas uses a Big Local pathway to identify how they will achieve the outcomes over at least 10 years, using at least £1 million. Examples of activities are on the Big Local pages of the Local Trust website.



## Local Trust

### Trustees' report (continued)

**Step 1 Getting people involved** - the first stage is to spread the word about Big Local to make sure residents know how they can get involved. This might include creating publicity material about Big Local, using networks of community members to spread the word, using existing local newsletters or events, and finding individuals and people working in local organisations who might be interested in playing a role. This is a crucial and on-going step in the pathway and one communities need to spend some time on to get right.

**Step 2 Exploring a Big Local vision** - this is about thinking through how an area might change for the better. What do people like now? What should change? What would people like to build on? What can people do to build on what is already good about the area and the existing talents, skills and abilities of people locally? At this stage, not everyone's vision will be the same and the idea is not to arrive at a shared vision yet but simply to create a profile of each area (what the area is like now) and, importantly, to engage a wide range of people and groups about their hopes and vision for the future.

**Step 3 Forming a Big Local partnership** - once visions have been collected, the next stage is to create a Big Local partnership to guide the overall direction of Big Local in the area and make sure a diverse range of residents and local organisations continue to be actively involved. All the work that is done in steps one and two will have contributed to the development of this partnership. The majority of members will be residents, but the partnership will probably include people from local organisations that are involved with your area as well. Membership of the partnership will change over time in response to Big Local activities and will be reviewed at least annually. The partnership will be supported by locally trusted organisations.

**Step 4 Creating a Big Local plan** - the next thing is to move from a range of visions to a shared long-term vision and plan. Plans need to build on what is already good about the area, provide community-wide benefit, respond to local needs, and explain how it meets Big Local's four outcomes. Each area has at least £1m funding and each plan will propose how best to use it over the 10 years and more.

**Step 5 Delivering the Big Local plan** - delivering the agreed plan will involve a range of activities, such as creating a small grants programme for each area, using 'social investment' loans, and paying for specialist services. Big Local partnerships will decide whether there are suitable locally trusted organisations who can administer the different types of funding, or whether they wish Local Trust to help.

**Step 6 Collecting the evidence** – we need to ensure that Big Local areas are able to learn from and adapt their activities as they go along. Assessing the impact of activities involves looking at how Big Local activities have changed things in the area, and reporting progress. There will be reports showing key activities, achievements and funding distributed. This will help areas reflect upon how things are going and ensure they make progress towards the outcomes in the 10-year plan.

**Step 7 Reviewing your Big Local plan and partnership** - The Big Local partnership and Big Local plan will be reviewed annually. This will ensure open, critical reflection on how each partnership is working to achieve the outcomes set out in each plan. The review will check whether plans remain relevant and continue to address the area's priorities and meets the Big Local outcomes.



## Local Trust

### Trustees' report (continued)

#### 2.4 Achievements

The three key achievements since November 2011 were:

- establishment of Local Trust and of Big Local Trust including financial, staffing and programme reporting procedures and systems
- development of the Big Local programme as a resident led community development programme
- providing support to Big Local areas progressing along the Big Local pathway including written guidance, funding for Getting People Involved round 2 and Getting Started, website, rep support, learning events, spring events, newsletters. As of December 2012 49/50 of the first 50 Big Local areas had received up to £30,000 Getting People Involved funding. 29/50 of the areas announced on 29 February 2012 had received up to £20,000 Getting Started funding, eight partnerships had been endorsed and four Big Local plans approved.

#### 2.5 Public benefit

The trustees have given due consideration to Charity Commission guidance on the operation of the public benefit requirement and are comfortable that the work of Local Trust meets that requirement.

### 3 Financial review

#### 3.1 Donation from CDF

On 22 March 2012, a £10,000 donation (restricted fund) was received from CDF with the specific purpose of funding research and evaluation (with a view to implementation of the findings) into '....enhanced ways of delivering community development programmes....' A further £40,000 donation for this purpose has been promised by CDF. This was in accordance with the proposal submitted to BIG by CDF (on behalf of the consortium) to establish Local Trust. Local Trust is working with CDF to ensure that the grant is spent in accordance with their wishes – laid out in the grant offer letter of 29 February 2012.

#### 3.2 Reserves

Local Trust had no unrestricted funds and therefore no reserves at 31 March 2012.

#### 3.3 Big Local Trust

A grant of £30,000 was received from CDF on 21 March 2012 for Big Local activities. This funding had been requested on 16 February 2012. On 9 March 2012 £100 million was received from BIG as the first instalment of their grant endowment to Big Local Trust. The remaining £96,873,499 was received from BIG on 8 January 2013.

#### 3.4 Big Local Trust investment

Trustees agreed the overall investment strategy for the investment assets of Big Local Trust should provide the resources required by the Big Local programme; and to manage the assets in a manner that maximises the impact of the funds to enable Big Local areas to extend the life of Big Local beyond 10 years and £1m each. Trustees agreed that by making use of the scale and

## Local Trust

### Trustees' report (continued)

duration of the programme, the investment strategy should provide the best long-term return whilst ensuring that at all times sufficient short-term funds are available to support spending. This will be achieved by investing a high proportion of the fund in cash, fixed income and similar securities, with a smaller portion invested in equities and similar securities in the UK and overseas that are expected to provide a higher return over the long-term. A detailed investment strategy and ethical investment approach were agreed in the summer of 2012.

#### 3.5 Auditors

A resolution to appoint Crowe Clark Whitehill was proposed and agreed at the last annual general meeting.

#### 4 Plans for the future

Trustees agreed that the focus during 2012 and 2013 is on the delivery of the Big Local programme across England; along with the effective management of the Big Local Trust investment in line with the investment strategy.

During discussions with partners in autumn 2012 it was agreed that programme support needs to:

- inspire people at the community level
- multiply in value: attract sponsorship, joint funding etc.
- encourage risks and encourage connectivity
- think beyond 10 years to ensure activities are long term and sustainable
- have reach and inclusion.

Key messages from our early experience of the Big Local programme to focus on include:

- resident-led
- creates opportunities and chances
- builds and uses relationships
- uses £1m to lever in and attract additional investment into an area
- has flexibility across England
- importance of thinking about year 11 now
- be different / use innovation
- be asset-based, build on what's there
- create even better areas.

Approved by the trustees on 13 February 2013 and signed on their behalf by:

Signed  Date 13/2/13

Michael A Hamilton

Trustee



## Independent auditors report

### Independent auditor report to the trustees of Local Trust

We have audited the financial statements of Local Trust for the period ended 31 March 2012 which comprise Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the 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 auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2012 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

## Independent auditors report (continued)

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company 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.

Signed N. Hashemi Date 19/2/13

Naziar Hashemi, Senior Statutory Auditor

For and on behalf of **Crowe Clark Whitehill LLP**

Statutory Auditor

London



**Consolidated statement of financial activities**  
**(Incorporating an income and expenditure account)**  
**For period 3 November 2011 to 31 March 2012**

		2012 Local Trust Restricted funds £	2012 Big Local Trust Restricted funds £	2012 Group £
	<u>Notes</u>			
<b>Incoming resources from generated funds</b>				
CDF learning grant		10,000	-	10,000
CDF Big Local grant		-	30,000	30,000
BIG grant		-	196,873,499	196,873,499
Investment income		-	47,046	47,046
Other		-	-	-
<b>Total incoming resources</b>	2	10,000	196,950,545	196,960,545
<b>Resources expended</b>				
Charitable expenditure:				
Grants payable		-	-	-
Costs of support to Big Local areas	3	-	16,870	16,870
Governance	4	-	26,660	26,660
<b>Total resources expended</b>		-	43,530	43,530
<b>Net incoming/ (outgoing) resources</b>		10,000	196,907,015	196,917,015
<b>Net movement in funds</b>				
Balance at 3 November 2011		-	-	-
Balance at 31 March 2012		10,000	196,907,015	196,917,015

All amounts derive from continuing activities

The statement of financial activities includes all gains and losses recognised

The accompanying notes on pages 16 to 19 form part of these financial statements

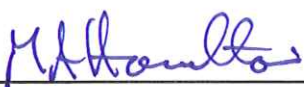
## Balance sheet As at 31 March 2012

Local Trust: company number 7833396, charity number: 1147511

		2012 Local Trust £	2012 Big Local Trust £	2012 Group £
	<u>Notes</u>			
<b>Fixed assets</b>				
Tangible fixed assets	5	-	21,631	21,631
<b>Total fixed assets</b>		-	21,631	21,631
<b>Current assets</b>				
Cash at bank and in hand		10,000	100,043,980	100,053,980
Debtors	6	-	96,873,499	96,873,499
<b>Total current assets</b>		10,000	196,917,479	196,927,479
<b>Liabilities</b>				
Creditors: amounts falling due within one year	7	-	(32,095)	(32,095)
<b>Net current assets</b>		10,000	196,885,384	196,895,384
<b>Net assets</b>		<b>10,000</b>	<b>196,907,015</b>	<b>196,917,015</b>
<b>Funds</b>				
Restricted funds		10,000	196,907,015	196,917,015
<b>Total funds</b>		<b>10,000</b>	<b>196,907,015</b>	<b>196,917,015</b>

Approved by the trustees, authorised for issue on the board of trustees:

2013 and signed on behalf of

Signed  Date 13/2/13

Michael A Hamilton

Trustee



## Consolidated cash flow statement For period 3 November 2011 to 31 March 2012

	2012	2012	2012
	Local Trust	Big Local Trust	Consolidated cashflow
	£	£	£
<b>Cash inflow/(outflow) from operating activities</b>			
Net incoming/(outgoing) resources	10,000	196,907,015	196,917,015
Investment income earned	-	(47,046)	(47,046)
Depreciation of tangible fixed assets	-	294	294
(Increase)/decrease in debtors	-	(96,873,499)	(96,873,499)
Increase/(decrease) in creditors		32,095	32,095
<b>Net cash (outflow) from operating activities</b>	10,000	100,018,859	100,028,859
<b>Returns on investments and servicing of finance</b>			
Investment income received	-	47,046	47,046
	-	47,046	47,046
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets	-	(21,925)	(21,925)
Net (payments)/receipts - fixed asset investments	-	-	-
	-	(21,925)	(21,925)
<b>Net cash inflow/(outflow) before financing</b>	10,000	100,043,980	100,053,980
Increase/(decrease) in cash in the year	10,000	100,043,980	100,053,980
<b>Analysis of changes in net funds</b>	<b>At 3 November 2011</b>		<b>At 31 March</b>
	£	Cashflow	2012
		£	£
Cash at bank and in hand	-	100,053,980	100,053,980

# Local Trust

## Notes to the accounts for the period 3 November 2011 to 31 March 2012

### 1. Accounting policies

#### Introduction

The financial statements of the charitable group have been prepared in accordance with accounting standards, The Charities Act 2011 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005). These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value.

#### Group accounts

These financial statements consolidate the results of Local Trust (charity and company limited by guarantee), and Big Local Trust (charity) on a line by line basis. They are prepared on the basis that Local Trust will remain as sole corporate trustee of Big Local Trust in perpetuity. Should this change, the basis on which these financial statements are prepared will be reconsidered.

#### Fund accounting

Unrestricted funds comprise those funds, which the trustees are free to use in accordance with the charitable objects.

Restricted funds are funds, which have been given for particular purposes and projects.

Restricted funds must be used in accordance with the funders' or donors' wishes.

#### Incoming resources

Income is accounted for on a receivable basis. Income relating to future periods is deferred.

#### Resources expended

Expenditure is included on an accruals basis for charitable activities and governance.

Governance costs include an element of staff time based on a proportional allocation.

There were no resources expended to generate funds because the grants were secured in advance of Local Trust and Big Local Trust being established.

#### Grants payable

Grants payable are accounted for in full as liabilities when approved and notified to Big Local areas because recipients would have a valid expectation that they would receive the grant as offered and accepted. Grants are paid in advance and sometimes in instalments. The first payment is payable upon signing of the funding agreement and any subsequent instalments are subject to satisfactory delivery and financial review.

#### Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Land is not depreciated. Depreciation is provided to write off assets on a straight-line basis over their estimated useful economic life:

Buildings	25 years
ICT	3 years
Furniture	4 years



## Local Trust

### Notes to the accounts for the period 3 November 2011 to 31 March 2012 (continued)

#### 2. Incoming resources

	2012 Local Trust Restricted funds £	2012 Big Local Trust Restricted funds £	2012 Group Restricted funds £
<b>Incoming resources</b>			
CDF learning grant	10,000	-	10,000
CDF Big Local grant		30,000	30,000
BIG grant	-	196,873,499	196,873,499
Investment income	-	47,046	47,046
Other	-	-	-
<b>Total incoming resources</b>	<u>10,000</u>	<u>196,950,545</u>	<u>196,960,545</u>

#### 3. Cost of support to Big Local areas

	2012 Big Local Trust Restricted funds £	2012 Group Restricted funds £
Community travel and childcare	450	450
Salaries	13,306	13,306
Recruitment	80	80
Couriers	22	22
Depreciation	294	294
Equipment	2,718	2,718
<b>Total resources expended</b>	<u>16,870</u>	<u>16,870</u>

All charitable activities are in relation to the Big Local programme.

#### 4. Governance Costs

	2012 Big Local Trust Restricted funds £
Protector fees	4,102
Protector legal fees	4,141
Audit fees	6,900
Salaries	11,517
	<u>26,660</u>

## Local Trust

### Notes to the accounts for the period 3 November 2011 to 31 March 2012 (continued)

#### 5. Tangible fixed assets

	2012
	Big Local Trust
	IT equipment
Cost	£
Balance brought forward	-
Additions	21,925
Disposals	-
Balance carried forward	<u>21,925</u>
<b>Depreciation</b>	
Balance brought forward	-
Disposals	-
Charge for year	294
Balance carried forward	<u>294</u>
<b>Net book value</b>	
Brought forward	-
Carried forward	<u>21,631</u>

#### 6. Debtors

	2012	2012
	Big Local Trust	Group
	£	£
<b>Breakdown of debtors</b>		
BIG grant	96,873,499	96,873,499
	<u>96,873,499</u>	<u>96,873,499</u>

#### 7. Creditors

	2012	2012
	Big Local Trust	Group
	£	£
<b>Breakdown of creditors</b>		
Audit accrual	6,900	6,900
Trade creditors	25,194	25,194
	<u>32,094</u>	<u>32,094</u>



## Local Trust

### Notes to the accounts for the period 3 November 2011 to 31 March 2012 (continued)

#### 8. Consolidated movements in funds

	2012 Incoming resources Restricted funds £	2012 (Resources expended) Restricted funds £	2012 Closing balance Restricted funds £
CDF learning grant	10,000	-	10,000
Big Local	100,077,046	(42,135)	100,034,911
	<u>100,087,046</u>	<u>(42,135)</u>	<u>100,044,911</u>

The CDF learning grant is restricted funding provided to Local Trust to undertake research on community development approaches. Big Local is all the funds in relation to running Big Local Trust including all incoming funds such funding from BIG, interest income generated and CDF grant for salaries.

#### 9. Staff costs and numbers

	2012 £
Wages	23,233
Social security costs	1,590
	<u>24,823</u>

No employee received emoluments of more than £60,000. The total number of employees during the year was two.

#### 10. Trustees' remuneration, benefits and expenses

No trustee received a payment from Local Trust for them to act as a trustee and in the reporting period. There were no benefits and no expenses paid to trustees for carrying out their role as a trustee.

#### 11. Related party transactions

Alison Seabrooke is chief executive of CDF and a trustee at Local Trust, Michael Hamilton and Andrew Robinson are both trustees at CDF and at Local Trust; and Local Trust received a grant from CDF during the period.

#### 12. Gifts in kind

CDF provided free office space for the two staff from January – March 2012.

CCLA provided a meeting room for the round one interviews for the post of chief executive during December 2011 and hosted the board meeting on 13 January 2012.

## Local Trust

### Big Local Trust protector report

BIG LOCAL TRUST ("BLT")

#### 2012 ANNUAL STATEMENT BY THE PROTECTOR

BLT is a registered charity in England and Wales with one Corporate Trustee controlling its affairs. The Trustee is Local Trust, which is in turn controlled by a board of directors who meet quarterly, and by its Chief Executive to whom the board delegate the day-to-day running of BLT.

The Trust Deed defines the role of the Protector as ... "to ensure the integrity of the administration of the Charity and the propriety of its procedures".

The role does not include decision taking at any level, although the deed does grant specific powers of approval in certain specified situations

BLT started operating at the beginning of 2012, and I therefore worked with the Trustee to ensure that from the outset:-

- the Trustee sought suitably qualified advice on the establishment of a robust system of internal controls within BLT, which was then implemented, covering internal organisation, expenditure procedures, banking arrangements, expenses policy, record keeping, staffing, funding distribution, contracts with partners, and annual accounting
- the Trustee sought suitably qualified advice on its investment strategy, including the proposed ethical policies to be adopted, and then implemented the necessary internal controls to manage and monitor these investments
- the Trustees sought suitably qualified advice on their powers and duties as defined by the Trust Deed, and that they fully understood the implications of conflict management when awarding contracts for work to organisations where the Director of the Corporate Trustee was also involved with or employed by the recipient of such a contract.

During the year, the integrity and propriety of BLT was further enhanced by:-

- the decision to appointment five additional Directors to the Board of the Corporate Trustee, bringing clear independence and a range of different skills.
- the variations made to the Trust Deed, carried out with the approval of Big Lottery Fund, designed to clarify and improve on the initial document
- the establishment by Big Lottery Fund of a system for monitoring the programme.

I believe that the first year of existence of BLT has been a great success, with a solid platform being built to allow the objectives of the Charity to be pursued over the coming years.

The challenge now is to deliver.

Peter Thurston

Protector – Big Local Trust

December 2012



## Local Trust

### Annual report and financial statements

## Local Trust

020 7812 5456

[info@localtrust.org.uk](mailto:info@localtrust.org.uk)

[www.localtrust.org.uk](http://www.localtrust.org.uk)

The endowment for the Big Local programme is held by the Big Local Trust and overseen by Local Trust. The Big Local Trust was established by the Big Lottery Fund with a National Lottery grant of £196,873,499.

**If you need this document in other formats or a community language please get in touch with Local Trust and we will help you.**

Local Trust company no. 7833396, charity no: 1147511

Big Local Trust charity no: 1145916



You are free to share or adapt this material under certain conditions of the [Creative Commons licence](https://creativecommons.org/licenses/by-nc-sa/4.0/).

