

Local Trust
creating
lasting
change

Local Trust

Annual report and financial statements

for 1 April 2014 - 31 March 2015

Registered company number 7833396

Registered charity number 1147511



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Introduction

We present here an overview of what has happened at Local Trust in the past year, reporting on our achievements, and outlining our plans for the future. This is our third full year of operation and the first year of our new strategy.

Local Trust is a unique organisation supporting resident and community led solutions to create lasting change throughout England. We use a community development approach to resident and community led regeneration of areas. We believe that those who make up the community know best what's needed and are the most likely to come up with the solutions to make a lasting positive difference to the places where they live, work and socialise. We also believe that we can help them to make that happen.

Our vision of the future is that each community we work with is resilient and confident and their area is a good place to live. Our mission is to enable residents to make their communities and their areas even better places in which to live.

Our long-term strategy is to:

- give residents greater control, skills and confidence to make a difference to the things that matter most to them in their communities
- use rigorous research, evaluation and story-telling to learn and develop our approach to achieve greater impact; make resources go further and enable joined up solutions to complex issues
- position Local Trust and those we support to influence the approach of others working in communities including: funders, government, charities and businesses with Local Trust seen as a leading innovator in transforming communities
- create widespread change so that residents and those supporting them in communities have greater involvement and control over the things that matter most to them.

We take a collaborative approach to all that we do; building alliances and relationships to the benefit of each community we support because we know that this makes the best use of the skills of others, growing and building the capacity of all those we work with whilst also achieving our vision and mission. In communities we support organisations that are trusted locally and selected by the community. We are flexible and do our best to be responsive and friendly in all that we do. We are keen to share our experiences and influence others to use a resident and community led approach to creating lasting change. To that end we place importance on learning and influencing others to make use of what we are learning to enhance their support to communities they support.

There were three projects at Local Trust this year:

Big Local: as the corporate trustee of Big Local Trust, Big Local is our main activity. Big Local is an exciting long-term opportunity for residents in 150 areas around England to use at least £1m each to make a massive and lasting positive difference to their communities. Funded by the Big Lottery Fund and managed by Local Trust, Big Local brings 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 Trust annual report and accounts is published as a separate document.

Community Investment Coalition: as members we bring a local perspective and provide a voice from areas on fair finance issues to influence the work of the Community Investment Coalition and access to fair finance.

Building Communities Trust: in partnership with Resources for Change and Tank Consulting we were successful in gaining contracts to support the directors of the new Building Communities Trust in Wales and we helped the directors to submit their business plan and manual of regulations to the Big Lottery Fund.

Highlights of progress towards our objectives: achievements and performance

Our achievements and performance are reported under the four objectives in our strategy.

Objective 1: By March 2017, we will deliver our work really well in a clear, collaborative way to establish our community-led, positive approach so residents gain greater control, skills and confidence to make a difference to the things that matter most to them in their communities

Objective 2: By March 2017, we will show via rigorous research, evaluation and story-telling that our approach is starting to have impact; levers in resources; enables joined up solutions to complex issues; and enables people to make their areas and communities even better places to live

Objective 3: By March 2017, we will position Local Trust and those we support to influence the approach of others working in communities including: funders, government, charities and businesses – with Local Trust seen as a leading innovator in transforming communities

Objective 4: By March 2017, we will ensure Local Trust continues to run effectively and follows good practice

Objective 1

By March 2017, we will deliver our work really well in a clear, collaborative way to establish our community-led, positive approach so residents gain greater control, skills and confidence to make a difference to the things that matter most to them in their communities

'Collaboration is at the heart of the partnership and every one of our processes. The key driver is the old saying about if you want to go quickly, go alone: but if you want to go far you should go together. We believe the investment we have made in collaborative working and involving everyone will pay us dividends in the long run.'
(Big Local partnership member)

Grants

Core to our work at Local Trust is the assessment, payment and monitoring of Big Local grants. During 2014-15, £13.3m of new grant funding was committed to 114 Big Local areas via 144 locally trusted organisations, listed on pages 34 to 40 as a result of us receiving and assessing 296 funding proposals.

During the year, 241 grant agreements were closed after satisfactory reporting was completed, including the return of any underspends. The remaining agreements coming to an end either had their timelines extended, or their reports were still outstanding at the year-end.

Big Local partnerships

We endorsed 55 Big Local partnerships bringing the total number of endorsed partnerships to 118 by 31 March 2015; we expect the others to come in by March 2016.

Big Local reps

Reps helped each area achieve their vision for Big Local through support, advice and appropriate challenge.

Social investment

Based on the endorsed plans from two Big Local areas we sent social investment agreements to two credit unions to enable them to work with their Big Local area to provide financial services.

Big Local and the local economy

We work with partners, reps and Big Local areas to inspire them about enterprising approaches; generating and keeping money within their communities including using social investment. Small Change and the social investment reps identified the top five themes coming out of their work with areas as: predatory lending, social investment, financial literacy, community land and buildings, and local enterprise. 141 Big Local areas were involved in these types of discussions during the year and Small Change identified that areas often tackle these issues together.

Star People

Star People operates within Big Local areas and provides community entrepreneurs (Star People) with awards and support. It continues to unleash the energies of people to transform the Big Local areas that they live in. As the co-funder, UnLtd had a grant agreement in place for finding and supporting Star People and community enterprise in Big Local areas. 19 organisations (Star

Partners) worked with UnLtd to help deliver this. In the year to March 2015, UnLtd distributed £580,000 in awards from Big Local Trust and UnLtd. In addition, UnLtd offered intensive social entrepreneurship support to 12 Big Local areas following an open recruitment process to all Big Local areas; offering extra time and attention to help Big Local partnerships achieve more and make a bigger difference in their area.

Adjusting the programme based on our learning

The programme has been adjusted throughout the year as findings are fed back to improve performance, including from the research and evaluation. Examples of adjustments are below.

- Training programme: commissioned three training providers to offer training based on the skills and competencies needed to deliver Big Local.
- Marketplace funding: £22,500 per area added to plan funding (if not already drawn down) in response to areas saying they wanted access to funding simplified.
- Annual review of partnerships between September and December: to ensure partnership meets Local Trust criteria and follows locally agreed policies and procedures; depending on how partnerships choose to operate.
- Funding agreement timelines: amended to match timeline of plan with six-monthly reporting by locally trusted organisation.
- Plan reviews: Big Local partnerships choose the time and frequency for when they review their Big Local plan, answering nine questions.
- Follow-on or revised plans: for assessment against an assessment rubric created by partnerships.

We updated all our programme guidance to share after the 2015 spring events. For example: guidance on what Big Local is, the support and funding available, Big Local partnerships, Big Local plans, the role of locally trusted organisations, delivering Big Local, sample templates for reviewing plans, partnership documents (conflict of interest, code of conduct).

More general guidance was updated and drafted as well: safeguarding, volunteering insurance, VAT, political activity, dealing with concerns and complaints, social investment, supporting the local economy, project planning and an open information policy for Local Trust.

We also made amendments to rep assignments so reps support the activity outlined above and ensure relationships between the partnership, locally trusted organisation and Local Trust are working, whilst also maintaining an overview of Big Local, managing any local conflicts or complaints and providing appropriate challenge and support locally.

Helping people gain skills and confidence

‘I’ve had excellent feedback from the network and learning events and this continues to get stronger every year.’ (Big Local rep)

We worked with people in Big Local areas, the National Association for Neighbourhood Management, partners and Big Local reps to design and deliver nine spring events, nine thematic events, two action learning sets and 21 rep organised events. Satisfaction immediately after events is high. Attendees enjoy the events and find them very useful. Two-thirds (67%) of those who responded to the evaluation said that they found Big Local networking and learning events helpful or very helpful.

We advertised 19 events as part of the national training programme from March 2015 until June 2016 with two events in March 2015, one on leadership and team skills and the other on public speaking and presentation skills.

Living Space Project provided a free telephone helpline offering advice and information during April 2014, in response to Big Local area's interest in improving their local environment, places and spaces.

Objective 2

By March 2017, we will show via rigorous research, evaluation and story-telling that our approach is starting to have impact; levers in resources; enables joined up solutions to complex issues; and enables people to make their areas and communities even better places to live

'... (previous programmes') targeted work was carried out to achieve more of a quick fix. Big Local is more drawn out, a greater commitment and a much slower process. With a greater end result too.' (Big Local partnership member)

Big Local evaluation framework

Towards the end of the financial year we agreed an evaluation framework for the Big Local programme and plan for our future research and evaluation activities. Measures of success for the Big Local programme fall under five broad headings to create our overarching evaluation framework: approach, delivery, outcomes, impact and influence. We developed measures, indicators and methods for each element and a revised theory of change.

Advisory group

Trustees agreed to establish an advisory group to guide the development of the Big Local evaluation; to offer advice on key elements of the research process; to help us identify and address potential issues or challenges; to help us test the approach, analysis and findings and to help us sustain the quality and robustness of all stages of the research.

Big Local: the early years

Our most significant research and evaluation this year was 'Big Local: the early years', by the National Council for Voluntary Organisations and supported by the Institute for Volunteering Research and the Office for Public Management. Their evaluation showed grounds for optimism for Big Local because they saw evidence of local visions; new connections; changes in places and changes in people. In addition their evaluation highlighted that many of those most actively involved already believe that Big Local will help them achieve lasting change. 88% of the steering group/partnership members surveyed said they felt confident their group would achieve its goals in the longer term, with many strongly connecting this to a belief that the change would be lasting.

Other research

The Community Development Foundation:

- conducted follow up research on **influences of progress** for 15 areas, involved in research conducted in 2013. They identified key 'team roles' that need to be fulfilled for the partnership to operate effectively including strategic thinker, doer, catalyst, connector, advisor and coach. The top five types of activities were reported as community events, research and consultation, forming relationships with other local groups, information campaign and small grants programme.
- explored how five Big Local areas are turning their **plans into action** to understand the realities of resident-led Big Local partnerships delivering their ideas on the ground.
- completed an analysis of Getting Started proposals for 28 wave three areas who expected to attract £177,184 in **match-funding**. This is an average of £6,328 to add to their £20,000

Getting Started budgets. As well as cash, areas expected **in-kind match** including materials, meeting space and donated services from a number of sources including national and local charities, community organisations, local authorities and housing associations.

The Institute for Voluntary Action Research:

- completed our **annual learning review**, gathering together the data from areas, partners and our own systems.
- completed an analysis of **our funding model** to be published during 2015. Their analysis identified four key features that flow from our core principle of resident control: time and pace; willingness to take risks, light touch and flexible support and sustainability through making investments and maximising assets.
- started to conduct a small-scale study to test and then elaborate on our approach to **building on assets**. The study will consider what is meant by asset based in theory, how it plays out in practice and where it sits within the wider field of community development. We will publish the report during 2015.

We commissioned the Third Sector Research Centre at the University of Birmingham consortium to deliver the first wave of **Our Bigger Story**, a longitudinal multimedia project. The research will follow individuals, families, communities, organisations and the physical changes in the areas. Through participation in the project, residents will gain skills using film and photography for self-evaluation.

The National Institute for Health Research, School for Public Health Research **Communities in Control study** looks at whether resident led approaches to neighbourhood improvement can reduce inequalities in health. During the year they completed fieldwork in 10 Big Local areas and completed research with national delivery partners. They also provided us with statistical data on each Big Local area and have given research skills development opportunities to a network of residents in areas.

Story-telling and peer learning

'Big Local is a rollercoaster. You take big steps forward but every now and then steps back too. That's normal and all part of the learning. Areas shouldn't expect a smooth ride all the way through. Also remember you have 10 years so don't rush!'
(Big Local partnership member)

Our approach continues to be to spot, support and publicise individuals or groups that make good things happen in their community, to learn from these and to inspire and encourage further activity. We use case studies and storytelling to demonstrate, inspire and share progress with Big Local areas and to inspire external stakeholders.

To this end we shared more than 200 examples on social media, 60 examples across our learning and networking events and via 72 workshops at the nine spring events. We and our partners produced 26 case studies on a range of topics including: community hubs, play parks, tackling unemployment and community energy. We published 42 blogs covering a wide range of topics relevant to the activities of Big Local areas including blogs from areas, our partners and other organisations.

We published ten themed newsletters on topics that matter to Big Local areas including young people; increasing skills and supporting employment opportunities and started a new quarterly newsletter for locally trusted organisations on topics relevant to them.

Objective 3

By March 2017, we will position Local Trust and those we support to influence the approach of others working in communities including: funders, government, charities and businesses – with Local Trust seen as a leading innovator in transforming communities

'I feel confident we have understood what's needed Local people told us what they wanted in it, local people wrote it, and it will be local people who deliver what's in it.' (Big local partnership member)

We spent the past year increasing our profile and that of the programme. Staff contributed to a range of conferences, meetings and events with funders, the government, MPs and other charities.

In particular we used our experience and expertise to support the directors of the **Building Communities Trust** develop their plans within their aims to alleviate poverty in disadvantaged areas in Wales by supporting people and communities to develop their own solutions, improve their wellbeing, raise their aspirations, build social capital and increase their resilience to challenging circumstances.

In terms of businesses we provided links with Sainsbury's to identify how stores might support Big Local, which developed into direct support for Noel Park and Bountagu Big Local areas. We have an ongoing relationship with BT through their employee volunteering scheme which several areas have taken up. Many Big Local areas develop relationships with the private sector including Asda, United Utilities, Eddie Stobart, Mickledoor Consulting, B&Q, Tesco, Royal Bank of Scotland, and Ernst & Young.

Areas having a voice on the issues that matter most to them

With Big Local reps and partners, we have encouraged areas to have a voice on the issues that matter most to them. Examples include areas:

- drawing up a shopkeeper's charter to safeguard the local economy from developers
- expressing concerns about the licence application for a new supermarket and campaigning against this
- creating a democracy digital arts project to celebrate the 2015 Magna Carta anniversary
- lobbying for a fire station to be kept open
- feeding directly into consultations for a big Sainsbury's development adjacent to the area
- respond to the Department for Communities and Local Government's call for evidence on My Community Rights and Our Place programmes
- providing evidence and thoughts submitted to Department of Communities and Local Government's committee inquiry into the operation of Community Rights.

Our Community Investment Coalition activities included creating a video with Eastern Sheppey Big Local area, called 'Conversations about financial exclusion'. It included extracts of interviews with residents talking about how financial exclusion impacts them, which we used to support the work of the Community Investment Coalition at the launch of the CIC Community Banking Charter. We spoke at the Transforming Finance Network about the issues of financial exclusion recognised in areas, what they are doing locally to address them through Big Local and what the Community Banking Charter means to us. We had ongoing discussions with Share Action and CCLA

regarding the Big Local Trust investments and explored opportunities for people from areas to get involved in influencing companies as shareholders. We hope to continue this work in the future.

Promoting our learning and key messages

We used findings from our early years evaluation to communicate key messages from our research and to showcase the distinctiveness of our approach. Coverage included Civil Society and GovToday along with coverage on our website and that of our partners.

We engaged Forster Communications in January 2015 to help us with strategic communications, PR and marketing. Our long-term communications objectives are:

- To raise the profile of Local Trust and Big Local among policy makers, funders, local authorities and others in the sector to help them understand the value of putting communities in control.
- For major policy and decision makers to know about our work and to consider new approaches to funding and supporting communities.
- To establish a reputation for being ground-breaking in our approach to funding and supporting communities, and prove that the model works by demonstrating the difference communities can make when they are empowered.

We promoted the new idea of volunteer Big Local ambassadors at our spring events. These ambassadors will act as a voice for Big Local, getting involved with our media work and helping us to bring resident voices to the fore of our national communications.

Website and social media

In January 2015, we launched our new website, developed by Knight Studios. We continue to use social media and electronic newsletters.

- Our website had 58,947 visits/sessions with 37,319 people using the site, 61% of whom were visiting for the first time. In 2013–14 we recorded 60,009 visits/sessions with 36,865 people using the site, 59% visiting for the first time. This is very close data year-on-year, illustrating a smooth transition across websites and consistently high usage.
- By March 2015, we had 1,718 Twitter followers. This is an increase of approximately 14% from September 2014.
- Our YouTube channel received 7,133 views and estimated 9,065 minutes watched. Compared to 2013-14 this represents an increase of 16% and 26% respectively.
- Over 3,000 people receive each electronic newsletter we send.

Objective 4

By March 2017, we will ensure Local Trust continues to run effectively and follows good practice

Finance

As demonstrated in these accounts, our total group expenditure during the year was £16,381,350 of which £13,252,290 was direct funding to Big Local areas. This represents a significant increase from the previous year as areas begin to deliver their plans and drawdown funding from their £1million. We continue to ensure Local Trust runs effectively and follows good practice having received a good audit findings report last year. Two developments in response to the audit findings report last year are that we now carry out a more detailed monthly bank reconciliation process and also monthly reconciliations between grant payments recorded on our funding management system and Iris Exchequer.

Staff

We have a small, committed and enthusiastic staff team who particularly value the work they do directly with areas, helping people make a difference in their communities. Through a staff survey, our staff also said some of the best things about working at Local Trust are the relaxed atmosphere and friendly staff; the learning culture which gives a chance to change and improve and the varied work.

Partners

In line with our strategy, the majority of activities nationally and locally are delivered through suitably experienced organisations, working collaboratively in line with our ethos and approach. During the year our national partners were:

- Big Local delivery: 63 Big Local reps supporting 150 Big Local areas plus 8 reps in the pool but without areas (June 2015), Renaisi, UnLtd, Small Change, the National Association for Neighbourhood Management, Living Space Project, Talk Action, Directory of Social Change, Northern College
- Big Local research: Community Development Foundation, Institute for Voluntary Action Research, School for Public Health Research, Third Sector Research Centre at the University of Birmingham working with Mandy Wilson, Creative Media and Paul Morgan; the National Council for Voluntary Organisations supported by the Institute for Volunteering Research and the Office for Public Management
- Back office support: CCLA, Crowe Clarke Whitehill, Withers, Tank Consulting, Team AD, Fluent Technology, Forster Communications, Knight Studios, Co-operative Web
- Local Trust work: Community Investment Coalition; the Building Communities Trust, Resources for Change and Tank Consulting.

Plans for the future

Key objectives for next two years

In line with our long-term strategy, our key objectives for the next two years, to March 2017 are to:

- deliver our work really well in a clear, collaborative way to establish our community led, positive approach so residents gain greater control, skills and confidence to make a difference to the things that matter most to them in their communities
- use rigorous research, evaluation and story-telling to learn and develop our approach to achieve greater impact; lever in resources; enable joined up solutions to complex issues; and enable people to make their communities and areas even better places in which to live
- start to realise our long-term goal to position Local Trust as a leading innovator in transforming communities; and for us and those we support to influence others working in communities to follow our approach
- ensure Local Trust continues to run effectively, efficiently and adopts good practice.

Much of this will be achieved through Big Local.

New opportunities

We recognise that we need to influence others and therefore we will proactively look for new opportunities (funding, partnerships, activities, sponsors) to:

- provide more/additional resources into current programmes
- use our approach in other places and with other programmes
- be enterprising and transformational while learning from our experience and staying true to our approach.

To achieve this we will work with corporate sponsors, funders, sector partners, local and national government and others interested in our approach.

Financial review

Local Trust's primary responsibility is to deliver Big Local using funds from the Big Local Trust.

Big Local Trust overview

Big Local Trust received £6,345,618 income from its investments in the year to 31 March 2015 (2014: £5,317,400), including £443,119 bank interest and £199,435 interest on cash instruments.

Total expenditure during the year was £16,381,350 (2014: £10,668,017), of which £13,252,290 was direct funding to areas (2014: £7,402,316), and £1,883,703 was delivery to areas (2014: £2,007,066).

Net outgoing resources for the year to 31 March 2015 were £10,034,068 (2014: £5,350,671), before gains and losses. The total net surplus for the year after investment gains and losses was £1,925,774 (2014: £8,539,064 deficit).

Big Local Trust's investments

Investment manager

CCLA is Big Local Trust's investment manager. CCLA works with the investment sub-committee and manages investments in line with the investment strategy as agreed by the board. Annually the sub-committee review the performance of the investment manager in line with the trust deed requirement and make recommendations to the board. CCLA were reappointed as investment managers in 2014 and 2015.

Investment strategy

The objectives of the Big Local Trust investment strategy, agreed annually, are:

- for the investment assets of the Big Local Trust (the fund) to provide the resources required by Big Local, 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.

Details on the strategy and implementation are in the Big Local Trust accounts, and a summary is presented here.

For reasons of cost, efficiency, security, governance and risk management the fund is managed as a single pool of assets ensuring funding is available when required. By making use of the scale and duration of Big Local, the investment strategy provides a good long-term return while 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 longer term.

The investment strategy is implemented in a controlled way to ensure that risks are appropriately managed and consistent with the objectives of Big Local.

Changes to the investment strategy

There were some important changes to the investment strategy during the year; the first of these related to the treatment of income which is now invested in a broad range of assets as part of the investment portfolio.

The other changes in the investment strategy related to asset allocation. The first of these was to increase the maximum allocation to property from 5% to 10% to allow the weighting to real assets to be maintained at times when our fund manager has a cautious view of equity market prospects.

The second change related to the maximum weighting to real assets in the portfolio where the maximum permitted exposure has been increased to 40% to prevent forced, premature disposals due to rising markets at a time when assets of this sort are still an appropriate and attractive holding for the Trust.

Performance benchmark

The performance benchmark of the fund is Bank of England's Official Rate +1% p.a.

Fund performance

The total value of Big Local Trust's investments, including income, as at 31 March 2015 was £210,480,565. The annual return on the fund was +9.25% against its performance benchmark +1.51%.

2014-15 was a positive year for investment markets, one in which all major asset classes achieved positive returns. Over the year, the key source of the over-performance relative to the benchmark has been the asset allocation and in particular the holdings in real assets such as equities and property, which gave total returns of +20.1% and +19.0% respectively.

Formal restrictions and controls

Reflecting the investment strategy, there are formal restrictions and controls on the investments that can be held within the fund.

Cash and near cash assets: the minimum allocation is 18 months forward cash requirement for the programme as provided to CCLA from time to time by Big Local Trust. Near cash can include fixed interest instruments maturing within two years. There is no maximum cash or near cash allocation. The current target asset allocation for cash and near cash is 25%.

In terms of individual counterparties, there is no limit to the amount which can be placed with a deposit fund rated AAA by a recognised rating agency.

Deposits with any individual counterparty however must not exceed 10% of the fund. All counterparties will be approved by the trustee.

Fixed interest and similar securities: the maximum asset allocation is the entire fund, less the cash requirement noted above. There is no minimum fixed interest asset allocation. The current target asset allocation for fixed interest and similar securities is 45%.

The minimum credit rating for fixed interest or similar securities is BBB by a recognised rating agency. The fixed interest or similar securities issued by a single counterparty (other than securities issued or guaranteed by the UK Government where there is no limit) should not be more than 5% of the total funds under management at the date of purchase for securities rated A- and

above, and 1% of the total funds under management at the date of purchase for securities rated BBB.

Real assets: the maximum asset allocation is 40% of the total funds under management. No new money can be invested in real assets if they account for more than 30% of the total funds under management. There is no minimum asset allocation to real assets. The equity holdings will be diversified on a geographical and industry basis.

No new money can be invested in equities and similar securities if they represent more than 25% of the total funds under management. No equity or similar security should be more than 1% of the total funds under management at the time of purchase. No new money can be invested in COIF Charities Property Fund if it represents more than 10% of the total funds under management.

Ethical and responsible investment

Local Trust, acting as the corporate trustee of Big Local Trust agreed to use CCLA's default ethical investment policy as developed with Charity Commission guidance (CC14) in mind. We agreed to review this policy annually and to develop it over time with input from a range of stakeholders. This policy avoids investment in companies:

- producing landmines or cluster bombs
- with significant (>33%) turnover relating to:
 - tobacco
 - online gambling
 - production of pornography

Remaining companies that continue, after persistent engagement, to violate international and/or industry norms in relation to the following will be excluded:

- UK public health minimum standards (alcohol abuse and obesity)
- international norms (human rights, core employment standards and climate change disclosure) In addition to this, we follow:
 - the Church of England's bespoke screen for high interest rate lending
 - CCLA's COIF Charities Ethical Investment Fund's 2013-15 Living Wage engage/divest programme relating to the FTSE100 financial and pharmaceutical companies.

In addition, we expect our fund managers to be signatories to the UN Principles for Responsible Investment, and review their approach to responsible investment annually.

During 2014-15, we published a response to the UK Stewardship Code for asset owners on our website and on the Financial Reporting Council website. The UK Stewardship Code, prepared by the Financial Reporting Council, sets out the principles of effective ownership by institutional investors (like Big Local Trust) to the benefit of the company and the investor. Big Local Trust's response to the UK Stewardship Code summarises our approach to corporate governance and compliance with the Code.

Reporting

CCLA reports to the investment sub-committee on a quarterly basis and the sub-committee reports to each quarterly board meeting and makes any appropriate recommendations. The sub-committee formally reviews the investment strategy once a year in line with the trust deed, and makes recommendations to the board.

The investment sub-committee includes two voluntary, co-opted members who bring independent investment expertise to investment sub-committee discussions.

Change of custodian

During 2014-15, CCLA made the decision to change the custodian it uses, from Northern Trust to HSBC. (The custodian is the independent financial institution that holds Big Local Trust's funds, and trades as instructed by CCLA, the investment manager.) The board formally reviewed and agreed this proposal, so that the custodian for Big Local Trust's funds will become HSBC. Local Trust took additional legal advice from its solicitor Withers, and tax advice from PwC, on the completion of the associated account opening forms and power of attorney letters, which were completed in March 2015. The final transfer to HSBC took place in June 2015.

Grant making policy

Big Local Trust grant making policies are set in accordance with the trust deed and explained below.

Each Big Local area draws down funding by providing proposals or plans to be endorsed, setting out how they plan to work to address priorities identified by people in the area. Big Local areas are asked to identify organisation(s) to hold and be responsible for the funding. We call these locally trusted organisations, and they are mostly voluntary and community organisations working in the area. However, we accept proposals from other organisations, for example, statutory bodies, such as schools and councils, or organisations from outside the area, where the area agrees this is most likely to help achieve the outcomes of Big Local.

Each grant we award is only to be used for the charitable purpose for which it is made, as described in each proposal or plan, and all grants are to help Big Local areas meet the Big Local outcomes. Locally trusted organisations are required to record all Big Local grants in their accounts as 'restricted funds'.

Our monitoring of grants is proportionate to the size of the award, for example, for Getting Started awards of £20,000 we ask for a short grant expenditure report, and for Big Local plan funding we require expenditure reports and a plan review.

Local Trust as a locally trusted organisation

Local Trust has acted as the locally trusted organisation for a small number of Big Local areas that have been unable to identify a suitable organisation to fulfil this role. During this year these areas were William Morris, Conniburrow, Littlemoor, Palfrey, Firs and Bromford, Noel Park Estate and Chinbrook. When plan funding is drawn down, locally trusted organisations receive an administration contribution of 5% of the grant. We reflect the equivalent administration contribution for Local Trust acting as the locally trusted organisation, and in 2014-15 this totalled £2,051 for plan funds drawn down by William Morris and Firs and Bromford.

Social investment policy

A social investment is a loan or other financial investment that aims to make a positive economic, social or environmental impact in a community, as well as earning income. Within Big Local, social investments are available to people and organisations who cannot borrow money from traditional banks and who can contribute to the area achieving their Big Local plan.

The decision to make social investments with Big Local money is made by the Big Local partnership, as part of achieving their Big Local plan and the vision within it. If an area wants to use social investment, Local Trust will provide advice through Small Change and our social investment reps and help find a suitable community finance organisation to manage the loans, for example a credit union or a community development finance institution. Social investments can be risky and partnerships must be clear about how much risk they are willing to take and how they, and we, will monitor the results of investments and how to improve them.

Policy on reserves

Local Trust (Company) has net restricted reserves of £3,611 at 31 March 2015.

All contracts and grants were entered into by Local Trust in its capacity as trustee of Big Local Trust. All staff are employed jointly by Local Trust and Big Local Trust.

Big Local Trust held total funds of £207,085,084 as at 31 March 2015; this is an expendable endowment to be spent by 13 February 2027. In order to achieve this, we have a detailed indicative budget to February 2027 to ensure that there is funding to cover Big Local Trust's day-to-day costs and long term objectives during that time. The budget to February 2027 is based on a set of principles and assumptions relevant to the Big Local programme and the commitments made to areas.

Constructive obligations

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or funding) offer letter is sent to a locally trusted organisation to notify them that a specific amount of funding has been endorsed for a stated period of time. We record these constructive obligations, or grant commitments, as creditors in these accounts. Big Local Trust's constructive obligations increased from £2,939,195 in 2013-14 to £6,659,981 in 2014-15, reflecting the increase in the number of Big Local areas which have been offered plan funding. This increase is also reflected in the grants payable figure in the statement of financial activities.

Financial planning

We undertake annual reviews to inform Local Trust and Big Local development, how funding is allocated and how areas are supported. The budget to 2027 is updated each year with actual spend and income and reforecast annually. It includes estimates of constructive obligations (e.g. funding committed) to areas as we deliver plan funding.

The updated 15-year budget informs the investment strategy and a rolling two-year cash flow forecast is provided to CCLA to enable them to manage cashflow requirements of the programme.

Principal risks and opportunities

Our approach

'I do feel it is really empowering for the community that Local Trust is open to them trying new ideas/initiatives and making mistakes or ventures, failing as long as they learn from them and move forward. Brilliant move!' (Big Local partnership member)

We developed our 'rewarded risk' approach in response to recommendations from our audit findings report 2013-14. In reviewing our approach the finance and audit sub-committee asked us to focus on risks and opportunities so that it was clear that 'rewarded risks' are in fact opportunities. Our March 2015 risk and opportunity map and the process document take this into account.

We manage risks and opportunities proportionally and recognise the importance of mitigating and controlling risks and spending time on opportunities that can give positive returns and benefits. We know that risks can be about value protection. For example, if we fail to comply with the law there are significant consequences, but there is no extra credit for being even more compliant. Opportunities are about the upside, for example, developing a resident-led approach to supporting communities. The primary reason for taking opportunities is to add value to what we are doing and what we want to achieve. Although they might have a downside, the potential upside is greater.

We group risks and opportunities into clusters around principal risks or opportunities with both specific risks and opportunities listed within that cluster. Actions to mitigate or strengthen the situation and actions to control or enable the situation are recorded similarly for each principal risk or opportunity.

Examples

Principal risk or opportunity: resident led approach to funding and supporting areas

Risk: Current economic climate means locally trusted organisations, delivery partners or other sub-contractors are not viable and close or go into administration. We manage and mitigate these risks via open dialogue with organisations, local intelligence from Big Local reps, contracts and grant agreements.

Opportunity: Decision-making is local, and we endorse and support rather than decide and control. Residents make decisions about Big Local to build the skills and confidence of people to make a difference themselves; this might mean the programme is slower to deliver but it will be more embedded.

Principal risk or opportunity: investment

Risk: The investment fails to keep pace with inflation and/or we lose some of the investment. We review the investment strategy each year to maximise returns and reduce losses. Areas are not promised any specific returns or that the investment keeps pace with inflation.

Opportunity: Investment strategy allows up to 40% of funds to be held in equity and property. Equity and property expose the funds to greater potential gains as well as losses so all funds need to be invested to achieve an optimum balance between risk and return given the cash flow requirements of the programme.

Principal risk or opportunity: Local Trust operations

Risk: Inappropriate finance systems and/or procedures in place at Local Trust could lead to misappropriation of funds, loss of money and a poor audit so we carefully manage our systems and procedures to ensure appropriate use of funding, following advice from auditors.

Opportunity: We need to develop knowledge management systems to ensure effective programme management and programme evaluation from 150 areas plus reps, partners and staff. We plan to develop and maximise the use of data collected to the benefit of the programme and all involved in line with the agreed evaluation framework.

We have found a risk and opportunity approach to be refreshing and invigorating as it gives us permission to explore different ways of working and explore the potential returns from taking opportunities, whilst also identifying risks and taking appropriate action.

Governance and committees

Governance

Governance is about the board ensuring that Local Trust and Big Local Trust run effectively and follow good practice. Our approach to governance is led by the chair of the Local Trust board and is based on:

- ensuring delivery of organisational purpose
- working effectively as individuals and as a team
- exercising effective control
- behaving with integrity
- being open and accountable.

Local Trust acts as the corporate trustee of Big Local Trust in line with the trust deed.

During the year we ran an open recruitment process for additional members to the Local Trust board. In October 2014 we appointed four new members, taking the total number to 13 due to the quality of applicants. We amended our articles to allow a temporary increase in numbers with agreement of the Big Local Trust protector, although one recently appointed trustee stood down in June 2015 taking the number of trustees back to 12.

Trustees receive clear, high quality reports and information in time to inform decision-making in line with governing documents. We organised a number of activities to ensure that we maximise the contribution that trustees make.

Board review

During autumn 2014, the chair and chief executive met individually with the eight longer serving trustees to gain feedback on board effectiveness and prepared a report as a result of those meetings. Overall trustees reported their view that the board was stronger as a result of their work in the past year including the ability of the board to be coherent and cohesive; conflicts of interest being minimised; excellent attendance; honesty, good balance of input around the table; an enabling environment and clear board papers. In addition some members completed a survey of charitable boards from Dr Stuart Farquhar from the University of Wolverhampton to review effectiveness.

Development work

Trustees spent time during the year focusing on key topics including:

- strategies for Local Trust and Big Local, published on our website and used with stakeholders
- challenge role of trustees particularly in relation to the progress of Big Local
- evaluation framework and Big Local success measures/indicators
- approach to risks and opportunities.

Sub-committees

During the year, we operated two sub-committees: a finance and audit sub-committee which met twice, and an investment sub-committee which met quarterly, to enable appropriate governance and oversight of these functions. Four board members sat on each sub-committee and in addition, two independent people with relevant experience sat on the investment sub-committee.

Statement of trustees' responsibilities

In respect of the trustees' annual report and the financial statements

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees has confirmed that so far as he/she is aware, there is no relevant audit information of which the charity'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 charity's auditors are aware of that information.

Auditors

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

Approved by the corporate trustee on 15 October 2015 and signed on their behalf by:

Signed J. K. Sugrue Date 15.10.15
John Kevin Sugrue Chair

Independent auditor's report to the trustees of Local Trust

We have audited the financial statements of Local Trust for the year ended 31 March 2015 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 19.

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 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters 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, the charitable company's members as a body and the charitable company's trustees 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.

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

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing

the audit. 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 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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.

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; or

Signed N. Hashemi Date 15/10/15

Naziar Hashemi, Senior Statutory Auditor

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

Statutory Auditor

London

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Group statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 March 2015

		Restricted Funds 2015 £	Total 2015 £	Total 2014 £
	<u>Notes</u>			
Incoming resources from generated funds				
Investment income	2	6,345,618	6,345,618	5,317,400
Other		1,664	1,664	-
Total incoming resources		6,347,282	6,347,282	5,317,400
Resources expended				
Cost of generating funds		582,866	582,866	655,077
Charitable expenditure:	3 & 4			
grants payable		13,252,290	13,252,290	7,402,316
delivery to areas		1,883,703	1,883,703	2,007,066
learning to support the programme		501,545	501,545	371,357
Governance	5	160,946	160,946	232,255
Total resources expended	3	16,381,350	16,381,350	10,668,071
Net (outgoing) resources before other recognised gains and losses		(10,034,068)	(10,034,068)	(5,350,671)
Gains/(losses) on investments	8	11,959,842	11,959,842	(3,188,393)
Net incoming/(outgoing) resources for the year		1,925,774	1,925,774	(8,539,064)
Balance at 31 March 2014		205,162,921	205,162,921	213,701,985
Balance at 31 March 2015		207,088,695	207,088,695	205,162,921

All amounts are restricted and related to continuing activities.

All gains and losses recognised are included in the statement of financial activities.

The accompanying notes, on pages 30 to 46, form part of these financial statements.

Group balance sheet as at 31 March 2015

		2015 Group £	2015 Local Trust £	2014 Group £	2014 Local Trust £
	<u>Notes</u>				
Fixed assets					
Tangible assets	7	119,175	-	162,548	-
Investments	8 & 9	210,480,565	-	206,059,608	-
		<u>210,599,740</u>	<u>-</u>	<u>206,222,156</u>	<u>-</u>
Current assets					
Cash at bank and in hand		2,177,772	5,275	1,169,792	10,243
Debtors	11	<u>1,797,707</u>	<u>-</u>	<u>1,347,465</u>	<u>-</u>
Total current assets		<u>3,975,479</u>	<u>5,275</u>	<u>2,517,257</u>	<u>10,243</u>
Liabilities					
Creditors: amounts falling due within one year	12	(7,400,931)	(1,664)	(3,576,492)	(2,977)
Net current assets		<u>(3,425,452)</u>	<u>3,611</u>	<u>(1,059,235)</u>	<u>7,266</u>
Creditors: amounts falling due after one year	13	(85,593)	-	-	-
Net assets		<u>207,088,695</u>	<u>3,611</u>	<u>205,162,921</u>	<u>7,266</u>
Funds					
Restricted funds	10	<u>207,088,695</u>	<u>3,611</u>	<u>205,162,921</u>	<u>7,266</u>
Total funds		<u>207,088,695</u>	<u>3,611</u>	<u>205,162,921</u>	<u>7,266</u>

Approved by the trustees, authorised for issue on 15 October 2015 and signed on behalf of the board of trustees:

Signed J. K. Sugrue Date 15/10/2015
 John Kevin Sugrue Chair

Group cash flow for the year ended 31 March 2015

	2015	2014
	£	£
Cash (outflow)/inflow from operating activities		
Net (outgoing) resources	(10,034,067)	(5,350,671)
Investment income earned	(6,345,618)	(5,317,400)
Depreciation of tangible fixed assets	80,632	48,512
(Increase) in debtors	(450,242)	(234,326)
Increase in creditors	3,910,032	2,470,437
Investment management fees	582,866	655,077
Net cash outflow from operating activities	(12,256,397)	(7,728,373)
 Returns on investments and servicing of finance		
Investment income received	6,345,618	5,317,400
Investment management fees	(582,866)	(655,077)
	5,762,752	4,662,323
 Capital expenditure and financial investment		
Cash transferred into investment portfolio	-	(4,805,013)
Decrease in cash held on deposit	3,183,220	
Payments to acquire tangible fixed assets	(37,260)	(153,917)
Payments to acquire fixed asset investments	(8,644,335)	-
Receipts from the sale of fixed asset investments	13,000,000	7,500,000
	7,501,625	2,541,070
 Net cash inflow/(outflow) before financing	1,007,980	(524,979)
Increase/(decrease) in cash in the year	1,007,980	(524,979)
 Analysis of changes in net funds		
Cash at bank and in hand:		
at 31 March 2014	1,169,792	1,694,772
Cash flows	1,007,980	(524,979)
at 31 March 2015	2,177,772	1,169,793

Notes to the accounts for the year ended 31 March 2015

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 (company limited by guarantee and charity), 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.

Incoming resources

Incoming resources are recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting year.

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.

Resources expended

Expenditure is included on an accruals basis for charitable activities, cost of generating funds and governance.

Resources expended are allocated to a particular activity where the cost relates directly to that activity.

Grants payable are accounted for in full as liabilities when approved and notified to locally trusted organisations and Big Local areas, because Big Local areas would have a valid expectation that they would receive the grant as offered and accepted.

The cost of staff whose responsibility was the direct management and administration of an activity are apportioned based on time spent in undertaking that activity. The direct staff cost allocation for the period to 31 March 2015 was:

- delivery to areas: 59% (2014: 58%)
- learning to support the programme: 28% (2014: 28%)
- governance: 13% (2014: 14%)

Allocation of support costs

Support costs are those costs which enable the generation of funds and which enable charitable activities to be carried out. These costs include finance, human resources and information technology. Support costs are re-allocated to each of the activities based on an estimate of support staff time attributable to each activity. The support staff cost allocation for the period to 31 March 2015 was:

- grant expenditure directly to areas: 42% (2014: 34%)
- delivery to areas: 19% (2014: 24%)
- learning to support the programme: 24% (2014: 27%)
- governance: 15% (2014: 15%).

Operating leases

Rentals payable under operating leases are charged to the Statement of financial activities (SOFA) on a straight line basis over the life of the lease.

Costs of generating funds

Costs of generating funds are the investment management fees charged by CCLA for managing the investment portfolio. Fees were based on 0.3% of the value of the portfolio calculated on a monthly basis. Investment fees include VAT which cannot be recovered.

Governance costs

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Governance costs include an element of staff time based on the proportional allocation described under the 'resources expended' policy above.

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Land is not depreciated. Depreciation on website development, IT equipment and office furniture is provided to write off assets on a straight-line basis over their estimated useful economic life (three years).

Investments

Investments are included at their mid-price at the year end. Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

Pension

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Grants payable

A 'constructive obligation' between Big Local Trust and a locally trusted organisation is triggered when a grant (or funding) offer letter is sent to a locally trusted organisation to notify them that a

specific amount of funding has been endorsed for a stated period of time. We record these constructive obligations, or grants payable, as creditors in these accounts.

2. Investment income

	2015 Group £	2015 Local Trust £	2014 Group £	2014 Local Trust £
Interest earned on cash & cash instruments	199,435	-	833,617	-
Fixed interest from bonds	3,752,010	-	2,514,033	-
Dividends from equities	1,951,054	-	1,723,583	-
Bank interest	443,119	-	246,167	-
Total	6,345,618	-	5,317,400	-

3. Resources expended

	Charitable activities						2015 Total £	2014 Total £
	Local Trust £	Grant expenditure directly to areas £	Delivery to areas £	Learning to support the programme £	Cost of generating funds £	Governanc e £		
Direct costs								
Staff	-	-	251,930	119,603	-	53,440	424,973	332,754
Grants to areas	-	-	-	-	-	-	-	-
GPI 2	-	(41,327)	-	-	-	-	(41,327)	23,226
Getting started	-	41,226	-	-	-	-	41,226	1,126,844
Creating plan	-	84,770	-	-	-	-	84,770	70,987
Marketplace	-	9,600	-	-	-	-	9,600	3,540
Pathway funding	-	502,737	-	-	-	-	502,737	480,563
Big Local plan funding	-	11,108,413	-	-	-	-	11,108,413	4,151,757
Community travel and childcare	-	27,330	-	-	-	-	27,330	20,816
Area admin contribution	-	539,969	-	-	-	-	539,969	197,419
Grant funding for Star People	-	818,637	-	-	-	-	818,637	1,131,097
Area delivery costs	3,260	-	1,553,059	-	-	-	1,556,319	1,670,732
Programme development	-	-	-	290,862	-	-	290,862	118,208
Direct governance costs	-	-	-	-	-	52,682	52,682	99,973
Finance charges	-	-	-	-	582,866	-	582,866	655,077
Total direct costs	3,260	13,091,355	1,804,989	410,465	582,866	106,122	15,999,057	10,082,993
Support costs								
Staff	-	57,085	26,033	32,306	-	19,447	134,871	258,595
Communication and marketing	1,968	6,153	2,807	3,484	-	2,096	16,506	61,913
IT and consultancy	-	27,803	12,679	15,735	-	9,471	65,688	108,842
Rent and office costs	92	35,766	16,311	20,241	-	12,184	84,595	107,217
Depreciation	-	34,128	15,564	19,314	-	11,626	80,632	48,511
Total support costs	2,060	160,935	73,394	91,080	-	54,824	382,293	585,078
Total expenditure	5,320	13,252,290	1,878,383	501,545	582,866	160,946	16,381,350	10,668,071

4 Grants payable

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Aberfeldy	Poplar HARCA	20,000	-	-	20,000
Allenton	Enthusiasm Trust	-	(2,202)	-	(2,202)
Arches Local	All Saints Community Project	5,000	-	-	5,000
Barnfield	Greenwich Co-operative Development Agency	81,587	-	-	81,587
	Plumcroft Primary School	5,742	-	(81,587)	(75,845)
	Barrow Borough Council	1,693	-	(50,264)	(48,571)
	Barrow Borough Sports Council	15,863	-	-	15,863
Barrow Island	Barrow Island Community Sports Trust	20,999	-	-	20,999
	Cumbria CVS	9,450	-	-	9,450
Barrowcliff	Groundwork North Yorkshire	483,215	-	-	483,215
Beechwood & Ballantyne & Bidston Village	Voluntary and Community Action Wirral	88,725	(962)	-	87,763
Birchfield	Birchfield Neighbourhood Forum	-	(1,000)	-	(1,000)
	Birmingham Voluntary Services Council	-	-	(41,826)	(41,826)
Birchwood	Learning Communities	20,000	-	-	20,000
Blackpool Revue	Blackpool, Wyre and Fylde Council for Voluntary Services	11,676	-	-	11,676
Bountagu	Enfield Children & Young Person's Services	196,804	-	-	196,804
Bourne Estate	Bourne Valley Action Group	2,000	-	-	2,000
Bradley	Pendle Borough Council	109,625	-	-	109,625
Brereton	Brereton and Ravenhill Parish Council	14,500	(14,072)	-	428
	Support Staffordshire	165,375	-	-	165,375
Brinnington	Groundwork MSSTT	132,286	-	-	132,286
	Rising Stars North West	11,015	-	-	11,015
	Accord Housing Association Ltd	3,858	-	-	3,858
Brookside	Stirchley & Brookside Parish Council	18,000	-	-	18,000
	Telford & Wrekin Council for Voluntary Services	-	(1,658)	-	(1,658)
Canvey	Essex Boys & Girls Clubs	11,017	-	-	11,017

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Cars Estate	Colebridge Trust, Solihull SUSTAIN	16,635	-	-	16,635
Catton Grove	People Shaped Solution CIC	155,942	(3,522)	(81,030)	71,390
CELL - Cresswell, Ellington, Lynemouth & Linton	Lynemouth Community Trust	201,875	-	-	201,875
Central Boston	TAYLORITEX CIC	2,600	-	-	2,600
Central Jarrow	Groundwork South Tyneside and Newcastle	134,927	(9,182)	-	125,745
Chinbrook	Community Links Bromley	9,900	-	-	9,900
	Local Trust as LTO	374	-	-	374
Church Hill	Bromsgrove and Redditch Network	175,483	-	-	175,483
Clarksfield, Greenacres & Littlemoor	Greenacres Community Association	100,674	-	-	100,674
Clubmoor	Liverpool Charity and Voluntary Services	36,750	-	-	36,750
Collyhurst	Manchester Communication Academy	192,675	(3,627)	(4,500)	184,548
	Local Trust as LTO	2,000	-	(3,467)	(1,467)
Conniburrow	Milton Keynes Community Foundation	249,764	-	-	249,764
Devonshire West	3VA	167,100	(9,231)	-	157,869
Distington	Cumbria CVS	135,975	-	-	135,975
	Distington Parish Council	19,700	-	-	19,700
Dover Town	The Dover Society	197,763	(80,782)	(78,881)	38,100
East Cleveland Rural Villages	Tees Valley Rural Community Council	-	(7,599)	-	(7,599)
East Coseley	Dudley Council for Voluntary Services	-	(93)	-	(93)
Eastern Sheppey	Swale Community & Voluntary Services	110,830	-	-	110,830
Elmton, Creswell & Hodthorpe	Community Voluntary Partners	96,133	-	-	96,133
Elthorne Estates	Caxton House Community Centre	10,000	-	-	10,000
Farley Hill	Age Concern Luton	120,750	-	-	120,750
	Action Hampshire	113,022	-	-	113,022
Fratton	Fratton Community Association	-	(983)	-	(983)
Gannow	Burnley, Pendle & Rossendale CVS	92,626	-	-	92,626
Gateshead	GVOC	-	-	(27,980)	(27,980)
Goldthorpe with Bolton- on-Deerne	Voluntary Action Barnsley	18,000	-	-	18,000
Grace Mary to Lion Farm	Sandwell Council of Voluntary Organisations	89,900	-	-	89,900

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Grassmoor & Hasland	Links, Chesterfield & NE Derbyshire VS	175,202	-	-	175,202
	North Eastern Derbyshire Business Development	2,200	-	-	2,200
Greatfield	Hull & East Yorkshire Community Foundation	79,132	(468)	-	78,664
	Hull and East Yorkshire Credit Union	6,300	-	-	6,300
	PROBE	9,450	-	-	9,450
Growing Together	Blackthorn Good Neighbours	633,172	(98,600)	-	534,572
Hackney Wick	East End Community Foundation	133,875	-	-	133,875
Hanwell, Copley Close	E.A.S.E. Empowering Action and Social	161,750	-	-	161,750
Harefield, Midanbury & Thornhill Park (Big Local SO18)	Southampton Voluntary Services	54,637	-	-	54,637
	TWICS	64,997	(4,244)	-	60,753
Hateley Heath	Sandwell Community Information & Participation Services	18,000	-	-	18,000
Hawksworth Wood Estate, the Abbeydales & the Vespers (HAVA)	Cardigan Centre	105,248	-	-	105,248
	Hawksworth Wood Older People's Support Services Limited	-	(9,690)	-	(9,690)
Heart of Pitsea	Basildon, Billericay & Wickford CVS	26,250	(16,397)	-	9,853
Heart of Sidley	Amicus Horizon Ltd	49,178	-	-	49,178
	Rother Voluntary Action	58,207	-	-	58,207
Heath Big Local	Uttoxeter Knights	444,653	(1,600)	-	443,053
Hill Top & Cauldwell	Warwickshire Community and Voluntary	2,000	-	-	2,000
Horsefair, Broadwaters & Greenhill (DY10)	Compass Community Partnerships	3,500	-	-	3,500
	Vestia Community Trust	102,000	(1,500)	-	100,500
Inner East Preston	Fishwick Rangers	2,000	-	-	2,000
Keighley Village	Airedale Enterprise Services	18,000	-	-	18,000
Kingsbrook and Cauldwell	Mid and North Bedfordshire CVS	52,500	-	-	52,500
Kingswood & Hazel Leys	CVS Northamptonshire	178,590	-	(52,475)	126,115
Kirk Hallam	Kirk Hallam Community Technology & Sports College	107,100	(3,609)	-	103,491
Kirkholt	Council for Voluntary Services Rochdale	128,625	-	-	128,625

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Langold, Costhorpe & Carlton	Rural Community Action Nottinghamshire	92,400	(700)	-	91,700
Latch Ford	Golden Gates Housing Trust Ltd	97,576	-	-	97,576
Lawrence Weston	Ambition Lawrence Weston	2,250	-	-	2,250
Leecliffe	Community Action Hertsmere	-	(13,365)	(44,074)	(57,439)
Leigh West	Leigh Neighbours Project	60,439	(4,646)	-	55,793
Little Hulton	Salford City College	107,363	-	-	107,363
Littlemoor	Local Trust as LTO	-	-	(1,559)	(1,559)
	Rotary Club of Melcombe Regis	20,000	-	-	20,000
London Road area of Broad Green	Croydon Voluntary Action	11,000	-	-	11,000
Mablethorpe, Trusthorpe & Sutton on Sea	Lincolnshire Community Foundation	212,187	(3,087)	-	209,100
Marks Gate	London Community Foundation	13,466	-	-	13,466
Marsh & Micklefield	Buckinghamshire Community Foundation	-	(2,319)	-	(2,319)
NE Hastings	Orbit South Housing Association	133,251	(2,525)	-	130,726
New Arley & Ansley (The Leys)	WCAVA	18,000	-	-	18,000
Newington, Ramsgate	Diocese of Canterbury	51,075	-	-	51,075
	East Kent Voluntary Action	-	-	-	-
	Support	141,015	-	-	141,015
	Newington Road Surgery Ltd	23,361	-	-	23,361
Noel Park Estate	Haringey Association of Voluntary & Community Organisations	2,000	-	-	2,000
	Local Trust as LTO	15,125	-	-	15,125
North Brixton	London Community Foundation	341,918	-	-	341,918
North Cleethorpe	Voluntary Action North East Lincolnshire	149,462	-	-	149,462
North Ormesby	North Ormesby Development Trust	188,900	-	-	188,900
Northfleet North	Council for Voluntary Service North West Kent	187,034	-	-	187,034
Northwood	Community Foundation for Merseyside	-	-	(58,643)	(58,643)
	Knowsley Housing Trust	-	(11,427)	-	(11,427)
NW Ipswich	Community Action Suffolk	96,075	(124,950)	-	(28,875)

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
	Ipswich Borough Council	100,000	-	-	100,000
Palfrey	Local Trust as LTO	1,200	-	-	1,200
Palfrey	Palfrey Community Association	13,391	-	-	13,391
Par Bay	Eden Project Campaigns Ltd	403,005	-	(83,864)	319,141
People's Empowerment Alliance of Custom House (PEACH)	Custom House & Canning Town Community Renewal	149,839	-	(22,473)	127,366
Plaistow South	Rights And Equalities In Newham	107,935	(7,665)	-	100,270
Podsmead	GL Communities	46,130	(3,324)	(13,065)	29,741
Prospect Estate	First Wessex	13,550	-	-	13,550
Prospect Estate	Rushmoor Borough Council	124,229	-	-	124,229
Radstock & Westfield	Curo Places (Somer Community Housing)	-	(14,151)	-	(14,151)
Radstock & Westfield	Somer Valley Community Radio Ltd	6,825	-	-	6,825
Ramsey	Westfield Parish Council	115,266	-	-	115,266
	Cambridgeshire ACRE	126,939	-	-	126,939
	Ramsey Initiative	1,050	-	-	1,050
	Ramsey Neighbourhoods Trust	103,257	-	-	103,257
Ramsey Rastrick	The Guild Social Economy Services CIC	2,250	-	-	2,250
	Community Foundation for Calderdale	107,250	-	-	107,250
Ravensthorpe & Westwood	Cross Keys Homes	20,000	-	-	20,000
Ridge Hill	New Charter Housing Trust Group	108,339	-	-	108,339
Ridge Hill	Tameside Metropolitan Borough Council	-	(4,755)	-	(4,755)
Roseworth Ward	Catalyst Stockton on Tees Ltd	240,915	-	-	240,915
Rudheath & Witton	Groundwork Cheshire	103,555	-	-	103,555
Scotlands & Bushbury Hill	Bushbury Hill Estate Management Board	178,988	-	-	178,988
Selby Town	Selby District Association of Voluntary Services	26,680	-	-	26,680
Shadsworth with Whitebirk	Blackburn with Darwen Council for Voluntary Services	19,845	-	-	19,845
Shadsworth with Whitebirk	Blackburn with Darwen Healthy Living	121,347	-	(8,846)	112,501

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
Slade Green	Howbury Friends	204,089	-	(24,675)	179,414
Somers Town	Somers Town Community Association	-	(12,155)	-	(12,155)
Sompting	Adur Voluntary Action	118,700	-	-	118,700
South Bermondsey	United St Saviour's Charity	66,886	-	(21,606)	45,280
St Matthew's Estate	The Contact Project	129,561	-	-	129,561
St Oswald & Netherton	Sefton Metropolitan Borough Council	122,123	-	-	122,123
St Peter's & the Moors	Cheltenham Borough Council	95,891	-	-	95,891
Stoke North	Staffordshire Housing Association	121,910	-	-	121,910
Three Parishes	Oswestry Community Action	157,596	-	-	157,596
Thurcroft	Rotherham Federation of Tenants and Residents	53,588	-	-	53,588
Thurnscoe	Voluntary Action Barnsley	62,425	-	-	62,425
Tonge with the Haulgh	Bolton at Home Ltd	20,000	-	-	20,000
Toothill	Swindon Borough Council	113,400	-	-	113,400
Tree Estate	Healthy Living Centre Dartford	-	(1,626)	-	(1,626)
Wargrave	Helena Partnerships Ltd	2,000	-	-	2,000
Warsop Parish	Mansfield Community and Voluntary Services	42,000	-	(21,368)	20,632
Warwick Ahead	Leeds City Credit Union	30,181	-	-	30,181
	Leeds Mind	26,698	-	-	26,698
	Nova Wakefield District Ltd	32,208	-	-	32,208
	One to One Development Trust	20,055	-	-	20,055
	Osgoldcross Forum Ltd	51,481	-	-	51,481
Warwick Ahead Wecock Farm	The Old Quarry Adventure Playground	99,521	-	-	99,521
	Warwick Community Group	7,770	-	-	7,770
	Warwick Neighbourhood Watch	11,535	-	-	11,535
	HCCS Community Action	107,000	-	-	107,000
Wembley Central	CVS Brent	18,000	-	-	18,000
Westfield Estate	Westfield Learning Community Trust	4,200	-	-	4,200
Whitleigh	Whitleigh Big Local	11,104	-	-	11,104
Whitleigh Whitley	Woodview Learning Community	182,085	-	-	182,085
	Aspire2	2,000	-	-	2,000
Whitley Bay	New Prospects Association Ltd	155,715	-	-	155,715
Whitley Bay	North Tyneside VODA	-	-	(38,697)	(38,697)

Big Local area	Locally trusted organisation	New grants £	Repayment of unspent grants £	Closed grants £	2015 Total £
William Morris	Local Trust as LTO	-	-	(10,411)	(10,411)
Windmill Hill	Groundwork Cheshire	93,450	-	-	93,450
Windmill Hill	Liverpool Housing Trust	20,000	-	-	20,000
Winterton	Voluntary Action North Lincolnshire	226,384	(227)	-	226,157
Woolavington & Puriton	Voluntary Sector Training Alliance (Vista)	-	(947)	-	(947)
Woolavington & Puriton	Woolavington Parish Council	11,500	-	-	11,500
World's End & Lots Road	Chelsea Theatre Ltd	7,915	-	-	7,915
Worle	NSAH (Alliance Homes) Limited	128,310	(215)	-	128,095
Wormley & Turnford	CVS for Broxbourne & East Herts (CVSB)	237,666	(3,242)	-	234,424
	Subtotal of grants to local areas	13,497,023	(482,347)	(771,291)	12,243,385
Other grants					2015 Total £
Residents' travel and childcare					27,330
Grant to UnLtd for Star People					818,637
Other amendments to grants					2,003
Total grants payable					13,091,355

Note: The total grants payable figure in the statement of financial activities on page 26 includes support costs of £160,935.

5. Governance Costs

	2015	2015	2014	2014
	Group	Local Trust	Group	Local Trust
	£	£	£	£
Staff costs	53,440	-	45,952	-
Financial advice	1,980	-	5,280	-
Audit fees	15,300	-	17,400	-
Legal and professional fees	10,091	-	52,162	-
Protector's fees	15,413	-	15,553	-
Protector's legal fees	-	-	-	-
Trustees' expenses	6,558	-	6,060	-
Trustee recruitment	-	-	43	-
Trustee training	3,178	-	768	-
Other	162	-	2,694	-
Companies House	-	-	13	-
Allocation of support costs	54,824	-	86,330	-
	160,946	-	232,255	-

6. Net outgoing resources

Net outgoing resources are stated after charging:

	2015	2014
	£	£
Depreciation	80,632	48,511
Auditor's remuneration:		
-audit	15,300	16,200
-non-audit (Corporation Tax return)	1,980	1,800
Investment manager's fees	582,866	655,077
Legal and professional fees	10,091	52,162
Operating lease charges	38,120	38,200

7. Group and charity fixed assets

				2015	2014
	Website development	Office refurbishment	IT equipment	Total	Total
Cost	£	£	£	£	£
Balance brought forward	42,000	42,965	142,006	226,971	73,054
Additions	37,260	-	-	37,260	153,917
Disposals	-	-	-	-	-
Balance carried forward	79,260	42,965	142,006	264,231	226,971
Depreciation					
Balance brought forward	1,167	9,548	53,709	64,424	15,912
Disposals	-	-	-	-	-
Charge for year	19,270	14,322	47,040	80,632	48,511
Balance carried forward	20,437	23,870	100,749	145,056	64,423
Net book value					
Brought forward	40,833	33,417	88,298	162,548	57,142
Carried forward	58,823	19,095	41,257	119,175	162,548

Fixed asset additions for 2014-15 included work on further development of Big Local Community, a funding management system (listed under IT equipment), and work to integrate information from Big Local Community into the new website.

8. Group and charity investments

	2015 £	2014 £
Market value brought forward	201,254,595	211,942,988
Investment additions	8,644,335	-
Investment disposals	(13,000,000)	(7,500,000)
Realised gain on disposal	2,129,810	2,601,494
Unrealised gain on investments	9,830,032	(5,789,887)
Net gains on investment	11,959,842	(3,188,393)
Market value carried forward	208,858,772	201,254,595
Cash held on deposit	1,621,793	4,805,013
Total investments	210,480,565	206,059,608

9. Investments by type and location of fund

	2015	2015	2014	2014
	UK	Overseas	UK	Overseas
	£	£	£	£
Equity	19,148,112	25,014,467	22,676,210	26,689,502
Fixed interest	92,596,675	-	85,607,439	-
Property	18,027,250	-	10,384,435	-
Cash	55,694,061	-	60,702,022	-
	<u>185,466,098</u>	<u>25,014,467</u>	<u>179,370,106</u>	<u>26,689,502</u>

The total book cost of investments held at 31 March 2015 was £200,988,220 (2014: £203,235,184).

There were no individual holdings in excess of 5% of the total portfolio valuation at 31 March 2015 (2014: nil).

10. Consolidated movements in funds

	Balance at 31 March 2014	Incoming resources	Outgoing resources	Gains/ (losses)	Balance at 31 March 2015
Community Development Foundation learning grant	7,266	-	(3,654)	-	3,612
Big Lottery Fund	198,355,345	-	(15,793,166)	-	182,562,179
Investment income	6,800,310	6,345,618	(582,866)	11,959,842	24,522,904
Other income	-	1,664	(1,664)	-	-
Total restricted funds	<u>205,162,921</u>	<u>6,347,282</u>	<u>(16,381,350)</u>	<u>11,959,842</u>	<u>207,088,695</u>

The Community Development Foundation grant is restricted funding provided to Local Trust to undertake research into community development approaches towards financial literacy.

11. Debtors

	2015	2015	2014	2014
	Group	Local Trust	Group	Local Trust
	£	£	£	£
Debtors	155,542	-	5,664	-
Prepayments	38,159	-	20,837	-
Accrued income	1,604,006	-	1,320,964	-
Total	<u>1,797,707</u>	<u>-</u>	<u>1,347,465</u>	<u>-</u>

12. Creditors

	2015 Group £	2015 Local Trust £	2014 Group £	2014 Local Trust
Trade creditors	545,266	-	451,406	-
Amounts due to Big Local Trust	-	1,664	-	2,977
Grants commitments	6,659,981	-	2,939,195	-
Social security and other taxation	12,812	-	12,437	-
Accruals	178,464	-	173,454	-
Pension payments due	4,408	-	-	-
Total	7,400,931	1,664	3,576,492	2,977

13. Creditors: amounts falling due after one year

	2015 Group £	2015 Local Trust £	2014 Group £	2014 Local Trust £
Grant commitments	85,593	-	-	-
Total	85,593	-	-	-

14. Operating leases

	2015 £	2014 £
Land and buildings, due in 2 to 5 years	38,120	38,120

15. Staff costs and numbers

	2015 £	2014 £
Wages and salaries	439,596	397,311
Social security and other taxes	46,920	42,932
Pension	40,352	35,119
	526,868	475,362

Trustees are responsible for setting remuneration levels for staff, making informed judgments in line with governing documents each year, via the finance and audit sub-committee who make recommendations to the board. Trustees recognise the importance of valuing staff that need to effectively and appropriately manage the endowment, the programme, grants and social investment into 150 areas and the contracts/grants of those delivering national support, research and evaluation. Tank Consulting have market tested salaries against national partner and voluntary and community sector organisations and independent trusts and foundations and trustees consider pay increases annually. Trustees recognise our approach might change in future as the organisation and staff team matures and as external factors change.

Staff are jointly employed between Big Local Trust and Local Trust. The monthly average full-time equivalent number of employees during the year was 10.75. Only one employee during the period earned between £80,000 and £90,000 per annum. In line with NCVO's Inquiry into Senior Executive Pay (April 2014), we publish details of our chief executive's pay and the ratio between the highest, median and lowest salaries in our annual report and accounts.

The gross salary of our chief executive, Debbie Ladds, in 2014-15 was £88,001 and the employer contributions to her pension fund totalled £9,394. As at 31 March 2015, the highest full time gross salary was £88,001, the median was £34,165 (ratio 2.6 to 1 between highest and median) and the lowest was £25,883 (ratio 3.4 to 1 between highest and lowest).

Local Trust is a London Living Wage accredited employer, and all our staff and contractors are paid at least the London Living Wage.

16. Pension

We offer staff the opportunity to join a defined contribution Group Personal Pension Plan ('the scheme'). Monthly contributions to the scheme are invested in personal pension plans with an insurance company (Scottish Widows). Big Local Trust's contribution to the scheme is based on 10% of the employee's basic annual salary plus an amount equal to the saving Big Local Trust makes under the salary exchange system from the employer National Insurance contribution; the minimum employee contribution to the scheme is 3.5%.

Pension contributions made by Big Local Trust to the scheme during the year were £40,352 (2014: £33,287) for nine employees. As at 31 March 2015, Big Local Trust owed £4,408 (2014: £7,082) to the scheme relating to March salary payments: the amount due was settled on time during April 2015.

17. Trustees' remuneration, benefits and expenses

Trustees received no remuneration. Six trustees received reimbursements for travel costs during the period including travel related to trustee recruitment totalling £6,558, (2014: £6,060). Trustee recruitment costs during the period were nil (2014: £43).

18. Big Local Trust protector

Protector fees and expenses of £15,413 were payable (2014: £15,553).

19. Related party transactions

Alison Seabrooke is chief executive of the Community Development Foundation and a trustee at Local Trust (corporate trustee of Big Local Trust). Andrew Robinson is a trustee at the Community Development Foundation and at Local Trust. During the period, Big Local Trust paid the Community Development Foundation £50,829 for research activities (2014: £69,300 for research activities). As at 31 March 2015, Big Local Trust owed Community Development Foundation £19,860 (2014: £19,770).

Andrew Robinson is a director at CCLA. CCLA manage the Big Local Trust investment portfolio. Big Local Trust paid CCLA £582,866 in investment management charges during the year (2014: £653,513. At 31 March 2015, Big Local Trust owed CCLA a balance of £146,813 (2014: £158,246).

Benjamin Lee is a director of the National Association for Neighbourhood Management. Big Local Trust paid the National Association for Neighbourhood Management £80,808 (2014: £121,221) for delivery of learning and networking events during the period. At 31 March 2015, Big Local Trust owed the National Association for Neighbourhood Management a balance of £28,080 (2014: £46,248).

Charity details

Local Trust: registered company number	7833396
registered charity number	1147511

Principal address

Unit D
15-18 White Lion Street
London
N1 9PD

Local Trust is the corporate trustee of Big Local Trust, registered charity number 1145916

The trustees of Local Trust are:

Directors and board members

Alice Casey (appointed October 2014)
Daniel Goodwin (appointed October 2014)
Kathryn Kane
Benjamin Lee
Peter Mills
Karen Riches (appointed October 2014)
Andrew Robinson
Shazad Sarwar (appointed October 2014, resigned June 2015)
Alison Seabrooke
Penelope Shepherd
John Kevin Sugrue (chair)
Jonathan Taylor
John Whitton

Investment sub-committee members

Benjamin Lee
Serena Loudon (co-optee)
Peter Mills
Alison Seabrooke
Penelope Shepherd (chair)
John Kevin Sugrue (ex-officio member from June 2014)
Chris Wigley (co-optee)

Finance and audit sub-committee members

Kathryn Kane
Andrew Robinson
John Kevin Sugrue (chair until June 2014, then ex-officio member from June 2014)
Jonathan Taylor (chair from June 2014)

Chief executive of Local Trust: Debbie Ladds

Protector of Big Local Trust: Peter Thurston

Advisors

Auditor

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitor

Withers LLP
16 Old Bailey
London EC4M 7EG

Bankers

The Co-operative Bank Plc (accounts closed September 2014)
1 Islington High Street
London N1 9TR

National Westminster Bank plc
250 Regent Street
London W1B 3BN

Investment manager

CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

Custodian

Northern Trust (to June 2015)
50 Bank Street
Canary Wharf
London E14 5NT

HSBC Bank Ltd (from June 2015)
8 Canada Square
London E14 5HQ

Big Local Trust ('BLT') 2015 annual statement by the Protector

The Big Lottery Fund appointed Peter Thurston BA FCA as Protector 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 Big Local Trust an annual remuneration of £15,000 and reasonable out of pocket expenses incurred in carrying out the role.

The function of the Protector

Big Local Trust is a UK registered charity with one corporate trustee controlling its affairs. The Trustee is Local Trust Limited, 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 Big Local Trust.

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 powers of approval in certain specified situations.

During 2014-15, I have attended all Board meetings, meetings of the Investment sub-committee, and meetings with the Big Lottery Fund.

Protector's report

I have now met with the teams working in three of the 150 areas. I have been impressed with the progress being made, and the commitment of the people driving the plans forward. I have asked the executive team to provide more support and guidance to all the areas in respect of the internal controls they adopt and enforce.

My next planned visit is to Par Bay in September, and I will continue to hold meetings with selected Areas over the course of the next year.

During the past twelve months, the Trustees and the Chief Executive have spent a great deal of time and effort on increasing and developing the way in which the lessons and experiences arising from the programme are captured and shared. This has my complete support and is a key objective for the Trust as set out in the Trust Deed.

Steps have also been taken to increase the profile of the Trust in the wider community, which is an important part of the overall programme and which also has my full support.

I have been kept informed of the changes in the investment strategy, and will continue to emphasise the importance of prudence in this area.

The Board of Trustees and the executive team have benefited from stability of personnel during the past twelve months and continue to operate effectively and with the interests of the areas at the forefront of their thinking.

Peter Thurston, Protector, Big Local Trust
August 2015

Our history and background

Local Trust is a charitable company limited by guarantee. It is operated under the rules of its memorandum and articles of association dated 3 November 2011 and amended by written resolution dated 27 March 2012 and 9 October 2014. 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.

Local Trust is the corporate trustee of the Big Local Trust. Local Trust and the Big Lottery Fund established Big Local Trust. Big Local Trust is an unincorporated charity governed by a trust deed dated 13 February 2012 and deed of amendment dated 5 June 2013. Big Local Trust was registered with the Charity Commission on 15 February 2012. Big Local is Local Trust's first and major initiative. All the activities of Big Local Trust are promoted under the Local Trust and Big Local brands.

Our approach

Further details about Big Local can be found in the annual report and accounts of Big Local Trust and on the Local Trust website.

Our resident and community led approach is both a philosophy and a methodology and informed by our learning from past community based programmes (Big Local: What's new and different, Institute for Voluntary Action Research, July 2013) which indicate that the things that matter most are:

- pace of development
- starting with assets not deficits
- willingness to take risks
- light touch support
- peer support and opportunities for reflection.

We believe that a community and resident led approach to creating lasting change:

- develops the skills and confidence of the people involved and enables them to work with others to the benefit of their community
- builds on the opportunities and assets available in each community
- creates lasting, long term solutions.

Underlying our approach is a belief that residents have a capacity and desire to drive change, and can achieve lasting and positive results when supported by those they trust and respect thereby building skills, confidence, networks, relationships and expertise in each community.

We realise this approach won't suit everyone or every situation but we are passionate about it because we believe it provides more embedded and lasting change. We have a dynamic and evolving approach based on what we and others are learning and we are not afraid to take risks, experiment or fail as we learn from our own experiences and those of the people we are supporting.

Objects of Local Trust

The objects as stipulated in Local Trust's 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.'

Objects of Big Local Trust

The objects as stipulated in the trust deed of Big Local Trust 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.'

Big Local outcomes

The four outcomes set by the Big Lottery Fund for Big Local are:

- communities will be better able to identify local needs and take action in response to them
- people will have increased skills and confidence so that they can continue to identify and respond to local needs in the future
- the community will make a difference to the needs it prioritises
- people will feel that their area is an even better place to live.

Local Trust

020 3588 0565

info@localtrust.org.uk

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.

Local Trust registered company number 7833396 and registered charity number 1147511

Big Local Trust registered charity number 1145916

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