

Financial Report for the year ended 31st March, 2008



The audited accounts for the period under review show total income of £509,435, a decrease of £69,826 when compared to the 2007 figures. Expenditure on running costs increased by £15,323, after excluding Gifts in Kind in both years. Funds paid to us to cover the overheads incurred in managing The Local Network Fund, The European Social Fund, Sports Relief and Youth Bank programmes totalling £43,130. This was a decrease of some £7,000 over the 2007 fiscal year.

Our income was made up of donations received from friends £61,273 an increase of 6%, event revenue of £47,490 increased from £26,310 in 2007, Investment income earned on our Endowment Funds and cash balances of £30,846, an increase of over 14% and Gifts in Kind of £24,264 which amount was at a similar level to the previous year. We are grateful as always to be given the free use of premises by HBOS, business insurance by MRIB Insurance, and beneficial rates on our Audit costs by Messrs Seymour Taylor.

The larger part of our revenue continues to be funds received under grant programmes. This year we received £270,308 from the LNF programme, £30,466 from ESF, £15,000 from Sports Relief as well as several smaller amounts from donors. Additionally we received £8,000 under the Youth & Community Programme to fund the cost of outreach activities we will be performing for them over the next three years. The total attracted under all programmes was £345,412 and this was a decrease from £442,608 in 2007.

Although income decreased and expenses increased, the amount of grants given out increased by £49,606 to £379,111. We made 135 separate grants, all of which were approved by the respective Grant Panels and the Trustees for transactions over £5,000 where necessary.

During the year the Investment committee recommended to Trustees that the Endowment Fund managers be changed from Barclays Wealth to Coutts and this took place in June 2008. At year end the portfolio showed a decrease in market value of £61,738. The Portfolio will continue to be invested in a variety of market instruments with the managers being given guidelines as to the risk tolerance in the various asset classes, to achieve a prudent spread of risk.

The Trustees knew that 2008 would be a turning point in the Foundation's history as the LNF and Global Grant Programmes that had provided the majority of our funding over the past three years, were coming to an end. A difficult decision was taken at about this time last year that the then position was untenable with no new funding streams confirmed. Accordingly it was decided that costs needed to be cut and the position of Executive Director had to be made redundant. This was effective November 2007 although no actual savings were made in the 2008 fiscal year as redundancy costs were paid.

We are fortunate to have a dedicated team in the office who performed exceptionally well in difficult circumstances last year. Indeed they have worked very hard on a recently announced Government initiative, and I am pleased to report that in July this year we obtained three year grant funding under the Grassroots Programme. In addition there is an exciting challenge where the Government will augment donations to an endowment fund.

We endeavour to contain expenses where possible, as we believe that it is really important that donors should see that their kindness reaches the needy and is not absorbed in costs. Although expenses increased year on year this was principally in staff costs, the largest expense being the Executive Director position. All other costs were contained to prior year's level.

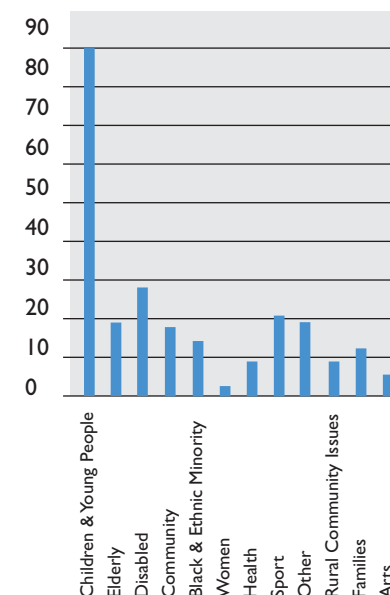
When the Foundation was launched almost 10 years ago, it was with the objective that the "friends" contributions would cover the running costs so that other donors would see that their funds went directly to the good cause. This was stated explicitly in our early objectives, but now our volume is such that the friends contributions are less than half of our total costs.

We would like friends to continue to support this approach and to this end we are pleased to announce that two benefactors have contributed a total of £75,000 as a fund to absorb the shortfall. This will enable us to be able to assure donors that no more than 10% of any donation will go in running costs.

EXTRACT FROM STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 March 2008

	2008	2007	2006
Incoming resources excluding endowment fund and gifts in kind			
Incoming resources from generated funds	139,759	111,053	91,961
Incoming resources from charitable activities	345,412	442,608	328,559
<i>Total incoming resources</i>	<i>485,171</i>	<i>553,661</i>	<i>420,520</i>
Resources expended			
Cost of generating voluntary funds	81,948	69,230	68,805
Charitable activities	436,976	386,350	373,528
Governance costs	7,510	5,925	4,575
<i>Total resources expended</i>	<i>526,434</i>	<i>461,505</i>	<i>446,908</i>
Net incoming resources	-41,263	92,156	-26,388

Field of Interest of Groups in Receipt of Grants



THREE YEAR SUMMARY

	2008	2007	2006
Resources available for charitable operation	485,171	553,661	420,520
Endowment Fund	563,832	625,570	634,607
Grants made	379,111	329,505	341,401
Management, administration & support costs	147,323	132,000	105,507
Ratio of grants payable to resources available for charitable use	78%	60%	81%
Ratio of management, administration and support costs to total resources expended	30%	24%	25%

% Grants Given in District Council Areas

