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**Building Change Trust**  
Annual Accounts 2015

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# The Building Change Trust

Annual Report and Financial Statements

Year ended 31 December 2015

# The Building Change Trust

## Annual Report and Financial Statements

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# The Building Change Trust

## Reference and administrative information

|  |   |
|--|---|
| <b>Trustee</b>                                   | Building Change Trust Limited   |
| <b>Trustee Directors</b>                         | C Cooke<br>M Henry<br>E Keys<br>M J McCarthy<br>J McVey<br>M Meehan<br>W B Osborne<br>J Peto<br>K Smyth |
| <b>Protector</b>                                 | M Wilson  |
| <b>Address</b>                                   | Community House<br>City Link Business Park<br>Albert Street<br>Belfast<br>BT12 4HQ                      |
| <b>Bankers</b>                                   | First Trust Bank<br>31 – 35 High Street<br>Belfast<br>BT1 2AL   |
| <b>Investment Managers</b>                       | Quilter Cheviot<br>Montgomery House<br>29 – 33 Montgomery Street<br>Belfast<br>BT1 4NX                  |
| <b>Solicitors</b>                                | Cleaver Fulton Rankin<br>50 Bedford Street<br>Belfast<br>BT2 7FW  |
| <b>Auditor</b>                                   | KPMG<br>Stokes House<br>17 - 25 College Square East<br>Belfast<br>BT1 6DH                               |
| <b>HM Revenue &amp; Customs Charity Number</b>   | XT11390   |
| <b>Charity Commission NI Registration Number</b> | NIC103379   |

# The Building Change Trust

## Report of the Trustee

The Trustee presents the annual report and financial statements of The Building Change Trust (“the Trust”) for the year ended 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out in notes 1 and 2, the trust deed, relevant legislation and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP).

### **Objectives and activities for the public benefit**

The objectives of the Trust are to make awards for charitable purposes for:

- the development, for the public benefit, of the capacity and skills of the members of socially and economically disadvantaged communities in Northern Ireland in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- the promotion, for the public benefit, of the voluntary sector, the efficiency and effectiveness of charities and the effective use of charitable resources in Northern Ireland; and
- the advancement, for the public benefit, of citizenship and community development in Northern Ireland, thereby increasing opportunities for volunteering, enhancing the identification and support of best practice and good governance in the voluntary sector, the development of skills of persons working in the voluntary sector and enabling organisations to work effectively together for the benefit of the community.

The Trust is currently realising these objectives by focusing on three high level outcomes;

- more and better collaboration;
- increased sustainability;
- a learning and influential sector;

and by working across five thematic areas. The five thematic areas are Social Finance, Collaboration, Inspiring Impact, Social Innovation and Creative Space for Civic Thinking.

Since commencement of the Trust in January 2009, the Trust has been satisfying its objectives by expending Trust funds in a number of ways including:

- grant aid to individual projects undertaken by the original bid partners (Community Foundation for Northern Ireland, Volunteer Now, Rural Community Network, Business in the Community (NI), Community Evaluation NI) and others;
- the development and delivery of an Added Value Programme to support grant recipients and others with respect to issues of change and transformation in the community and voluntary sector;
- commissioning programmes of work such as Collaboration NI and establishing a linked Collaboration Enabling Fund;
- participating in the UK wide Inspiring Impact Programme and establishing arrangements for the development and delivery of the linked Inspiring Impact Northern Ireland Programme;
- grant aid of £1 million issued to Charity Bank to support social finance development and commissioning the Community Shares Ready programme locally as well as a range of research and other actions;
- the development through participatory processes of Trust action plans for the themes of Social Innovation and Creative Space for Civic Thinking; and
- the progressive implementation of actions within these thematic areas including research into Digital Social Innovation and the development of a “Techies in Residence” programme and plans for Social Innovation NI the creation of a Civic Activism Toolkit and an accompanying Civic Activism Awards Programme, research into the independence of the voluntary and community sector in NI, and research into and support for the development of the Northern Ireland Open Government Network and so forth.

# The Building Change Trust

## Report of the Trustee (*continued*)

### **Grant making policy**

The Trustee has established its grant making policy to achieve its objectives to develop Northern Ireland's voluntary and community sector. In establishing The Building Change Trust, the Big Lottery Fund recognised that the Trust will need to evolve over time so that it remains fresh, innovative and relevant to Northern Ireland society. The trust deed states that making grants is one of the various ways in which the Trust can seek to meet its objectives and further specifies that grants, to be known as 'Building Change Awards', should only be made available to formally constituted groups or organisations, on projects carried out on a not-for-profit basis. Building Change Awards are 'revenue' grants and should not be used on significant expenditure for capital items. In considering an application, the quality of the application should be the overriding determining factor in any grant award decision. Support and guidance should be available to potential applicants in completing an application for a Building Change Award. Any recipients of Building Change Awards should benefit from ongoing advice and support over the life of their project to assist them achieve their goals; this should be tailored to the needs of each award recipient.

### **Programme contracts**

As the Trust is supported by only a small staff team within CFNI and seeks to consider a wide range of issues impacting the community and voluntary sector, certain project work directed at the achievement of the Trust's charitable aims and objectives is progressed via contractual arrangements with other parties. A number of such contracts were in place during the current year in respect of the Trust's work on the following key strategic themes:

- Social finance
- Grant agreement with Charity Bank and commissioning of Cooperative Alternatives to deliver the Community Shares Ready Programme
- Commission of NPC and Small Change to research social finance in respect of the environment and arts sectors in NI respectively
  
- Collaboration
- Continued contract with NICVA as lead partner in consortia with CO3 and Stellar Leadership for the development and delivery of Collaboration NI
  
- Inspiring impact
- Contract with CENI for the development and delivery of Inspiring Impact NI in Phase 1 until 31 December 2015 and for phase 2 for a further period ending 31 December 2017
  
- Social innovation
- Contract with CultureTech for the management of the Techies in Residence programme
  
- Creative space for civic thinking
- Contract with Ulster University for research into the independence of the sector and with Involve and the Democratic Society for the provision of development support to recipients of Civic Activism Awards

All of the current and future work of the Trust is being developed in the context of addressing these 5 strategic themes.

# The Building Change Trust

## Report of the Trustee (*continued*)

### Achievements and performance and plans for future periods

#### *Social finance*

The Trust recognises that now and in the future, the sector will operate in a time of reduced and constrained funding and that innovation and changes in funding/financing arrangements are both inevitable and desirable.

The Trust has set out its vision for the development of social finance in Northern Ireland, identifying the need for:

- three to five years of Northern Ireland wide investment readiness;
- appropriate products for Northern Ireland, hybrid products initially followed by more complex offerings; and
- a community shares pilot for Northern Ireland

The Trust has made a provisional allocation of £2 million towards this theme.

To date, the Trust has issued a £1 million capital grant to Charity Bank with a view to supporting their deposit taking, loan making and initial investment readiness activity in Northern Ireland.

A two year community shares pilot with the Co-operative Alternative Development Society was commissioned in March 2014 and subsequently extended to 3 years and will now end in March 2016. The Trust is actively considering making a further investment until mid-2018.

The Trust has also issued research grant aid of £44,050 to Charity Bank to investigate and develop proposals in respect of investment readiness and new product development for Northern Ireland.

A tender for a 2 year pilot Investment Readiness Programme was issued in late December 2014 with a programme anticipated to commence mid-2015, however the Directors decided not to proceed with awarding a contract

The Trust continued in 2015 to explore the possibilities for a grant/loan hybrid product with a leading social finance intermediary locally and also worked with Arts and Business and the Northern Ireland Environment Link respectively to procure research into social finance opportunities for the arts and environment sectors respectively.

#### *Collaboration*

The Trust has identified greater and improved collaboration as another key area and has provisionally allocated £1.77 million towards this theme.

During 2009 and 2010, consultation across the Northern Ireland community and voluntary sector carried out by the Trust identified that working in partnership was one of a number of solutions for the development of a more sustainable sector best placed to meet community needs into the future.

In response, the Trust commissioned Collaboration NI, a Northern Ireland wide mergers, collaboration and partnership support programme for the community and voluntary sector to run over an initial three year period from 2011 to 2015.

# The Building Change Trust

## Report of the Trustee *(continued)*

### Achievements and performance and plans for future periods *(continued)*

#### *Collaboration (continued)*

A number of tenders were received and evaluated with the successful tender proposed by NICVA in partnership with CO3 and Stellar Leadership. Collaboration NI commenced in January 2011 and comprises a number of strands of activity across five main areas of work (engage, resource, facilitate, execute and sustain).

Amounts paid to NICVA in respect of this programme are accounted for as resources expended on charitable activities which seek to further the objectives of the Trust (see note 6 for further details).

In 2014 the Trust commenced a development planning exercise for the future of Collaboration NI working with the delivery partners and the Institute for Voluntary Action Research and in mid-2015, following receipt and consideration of a development plan agreed to commission Phase 2 of the Collaboration NI programme for a further two year period ending 30 June 2016.

In autumn 2014 the Trust enhanced the support available to the sector from Collaboration NI by establishing a Collaboration Enabling Fund totalling £350,000. This fund, which was only accessible to organisations having engaged with Collaboration NI, offered Building Change Awards to assist organisations with the implementation of their collaboration plans.

#### *Inspiring impact*

In 2011 the Trust identified that the topic of impact measurement and practice in the sector was one of strategic importance and agreed to explore it in detail, on the basis that the outcomes of the work organisations do is what is important and that action might be taken to enable beneficial change in this area.

The Trust is a partner and a board representative of the UK wide Inspiring Impact programme. Having commissioned Community Evaluation Northern Ireland (CENI) to produce a development plan for an Inspiring Impact Programme in Northern Ireland and supported by an advisory group, the Trust Board approved a development plan in June 2014. The Trust subsequently tendered for a strategic partner to develop and deliver the programme. CENI were appointed in December 2015 and the programme commenced in earnest in January 2015.

Phase 1 of the Inspiring Impact NI programme was for a two year period and was co-funded by the Department for Social Development. It involved work with the sector, funders and a number of activities exploring best practice and current developments. The programme sought to embed impact practice across the sector by providing grant aid to 13 key sector support organisations to cascade training and support more widely, by working with five statutory funders to explore how moves to grant funding using an outcomes approach might be enabled and by engaging with one independent funder to do likewise. In addition to these specific actions there were also actions to share experience and best practice and influence policy makers.

In spring 2015, following a successful external independent evaluation of the first year of Phase 1, the Trust commissioned a development planning exercise to consider a possible second phase of the programme.

# The Building Change Trust

## Report of the Trustee *(continued)*

### Achievements and performance and plans for future periods *(continued)*

#### *Social innovation*

Following on from the publication of an initial research report “*Growing Social Innovation in Northern Ireland*” in April 2013, the Trust agreed with CFNI to recruit an additional staff member, a Development and Implementation Officer (now Programme Leader), to take forward the development and implementation of an action plan for the Social Innovation theme. The successful candidate took up post in September 2014. Since then the Trust has developed a Social Innovation action plan and is progressively implementing it across three categories of developing an ecosystem, developing finance and developing practice.

Key actions to date include the commissioning of research into Digital Social Innovation which has led to the development of a Tech for Good working group which meets to consider the issues around the use of technology for mission related activity and a “Techies in Residence” programme which CultureTech were contracted to manage and which will place IT professionals within voluntary, community and social enterprise organisations to research and develop prototype IT solutions to defined social problems. Under the Social Innovation theme the Trust also provided grant aid to Fermanagh Trust and Holywell Trust for specific innovation projects and latterly has commenced a process for the development of a wider and longer term vehicle for the support of social innovation in NI – Social Innovation NI.

#### *Creative space for civic thinking*

The Trust commenced an action planning process for this theme in September 2014 with the Programme Leader taking the lead role supported by an external consultant. Draft plans were considered and agreed by the Trust Board in February 2015 and focus on supporting creativity and building capacity in the sector, the role of the sector in enabling more open and accountable government in NI and sector independence.

A range of actions have been undertaken including commissioning Ulster University to carry out action research on the issue of independence, commissioning research into and exploring the potential relevance of the international Open Government Partnership initiative in NI and subsequently contracting the Northern Ireland Environment Link to support the development of the nascent Northern Ireland Open Government Network over a 2 year period, developing a civic activism toolkit and developing a linked Civic Activism Awards Programme which made 8 grant awards in 2015.

#### *Leadership*

Having initially identified leadership as a standalone theme, the Trust has subsequently agreed that leadership is a cross cutting theme. Work under the Collaboration and Inspiring Impact themes in particular has a strong focus on leadership support and development.

### **Structure, governance and management**

The Trust is constituted under a trust deed dated 12 December 2008, is recognised as a charity by HM Revenue and Customs, number XT11390 and is registered with the Charity Commission for Northern Ireland, number NIC 103379.

The Trust was established by the Big Lottery Fund and Building Change Trust Limited and was awarded £10 million to invest and then be spent over 10 years to 31 December 2018 on helping to develop and shape the future of Northern Ireland’s voluntary and community sector.

# The Building Change Trust

## Report of the Trustee (*continued*)

### **Structure, governance and management** (*continued*)

The sole corporate trustee is the Building Change Trust Limited, a company limited by guarantee in Northern Ireland (NI 071182). Power to appoint and remove trustees has been assigned to the Protector, Michael Wilson, under the terms of the trust deed.

The Trustee must ensure that proper consideration is given and proper advice is obtained in relation to the performance and discharge of its functions. In the exercise of its functions the Trustee must also have regard to governance material provided by the Big Lottery Fund.

The Trustee has delegated the day to day management of the Trust, by way of service level agreement, to the Community Foundation for Northern Ireland (CFNI) in accordance with the trust deed. The Trust has no direct employees, however four full time equivalent staff are employed by CFNI to work on Trust business. A Director of Operations, Finance and Administration Officer, Programme Leader and a Communications Officer are employed on a full-time basis.

### **Trustee directors, induction and training**

The trustee directors who held office during the year were as follows:

C Cooke  
J Harrison (resigned 27 February 2015)  
M Henry  
E Keys  
M J McCarthy  
M McKee (resigned 25 April 2016)  
J McVey  
M Meehan  
M Monaghan (resigned 4 September 2015)  
W B Osborne  
J Peto  
K Smyth

The trustee directors are volunteers giving freely of their time, experience and knowledge.

The Building Change Trust believes in creating the necessary environment and providing appropriate support to enable trustee directors to make a positive contribution to the work of the Trust.

Trustee directors come from a variety of backgrounds, some are nominees of the original bid partners, whilst others have been openly recruited. The Big Lottery Fund has the right to appoint a Director but has decided not to replace their nominee Julie Harrison after her resignation.

In terms of induction and training, the Trust is committed to:

- Supplying trustee directors with the governing documents for both the Trust and the trustee company;
- Circulating minutes of previous board and sub group meetings for information purposes;
- Creating opportunities for trustee directors to become more involved in the work of the Trust through participation in working groups and by representation of the Trust at events;
- Adhering to Trust policies and procedures in respect of registering interests and potential conflicts; and
- Providing additional support on a case by case basis, including governance training, meetings with the Director of Operations and other Trust support staff, investment managers and other specialist advisors as necessary.

# The Building Change Trust

## Report of the Trustee (*continued*)

### **Trustee directors, induction and training** (*continued*)

The Trust governance structure comprises:

- The Board of Directors of Building Change Trust Limited which meets approximately six times per annum;
- A Finance and General Purposes sub-committee which meets approximately six times per annum;
- A Marketing and Communications sub-committee which meets approximately four times per annum; and
- A Governance subgroup for the Inspiring Impact Programme which involves two trustee directors and which is linked to a wider programme advisory committee.
- Subgroups in respect of the Social Innovation and Creative Space for Civic Thinking themes

The subgroups have been delegated authority by the Trustee Board to take decisions on programme actions and expenditure within delegated limits in line with the Trust Deed.

The Trust has also established an ad hoc sub-group to consider issues pertaining to Trust administration and Chairperson remuneration. This sub-group also considers the recruitment, induction and training of trustee directors.

### **Risk management**

The Trustee has considered the major risks to which the Trust is exposed and has produced a risk register in respect of these risks. The Trustee has reviewed the major risks and established systems and procedures to manage those risks.

The Trustee considers variability of investment returns on the grant received from the Big Lottery Fund to constitute the Trust's major financial risk, and recent volatility in world stock markets has demonstrated this risk. The Trustee has delegated risk management for investments to a third party, Quilter, in accordance with the trust deed. A low risk strategy has been adopted. Performance reviews and portfolio measurement are provided on a quarterly basis, with a review of investment performance, policy statement and the investment management agreement occurring annually.

In late 2015 the Trust commenced a process of reviewing and implementing changes to its investments in order to further reduce the risk of uncertainty and to provide certainty around income in the spend down period to the end of the Trust in 2018.

The major operational risks identified by the Trustee are as follows:

- Failure of CFNI and Trust support staff to adequately perform work on behalf of the Trust;
- Failure to comply with the Trust Deed and memorandum and articles of association;
- Failure of the Trust to influence change within the sector and amongst other stakeholders;
- Over reliance on a small non-executive board, failure to recruit trustee directors and to establish effective governance arrangements for programme development and delivery;
- Delay in development and implementation of Trust activity; and
- Failure to increase awareness of the Trust and its work amongst key stakeholders.

The establishment of a Trust Board, formal sub-committees and the appointment of the Protector, who is responsible for ensuring the integrity of the administration of the Trust and the propriety of its procedures, seek to mitigate many of the operational risks outlined above.

# The Building Change Trust

## Report of the Trustee (*continued*)

### **Risk management**

A Manual of Regulations is in place which specifies the procedures to be followed. Good planning and clear contractual arrangements, coupled with close monitoring of each programme area and project during implementation should ensure that grantee organisations, the Director of Operations and other support staff deliver as required. To avoid any delay in the development and implementation of Trust activity the Trust has provided clear direction and some autonomy to the Director of Operations and other Trust support staff to develop further proposals and plans in respect of programmes of work with key areas of work also under the guidance and direction of formal Trust sub-committees.

### **Powers of the Protector**

In addition to appointing and removing trustees, the Protector has the power to:

- receive notice of, attend and speak at all meetings of trustee directors, as well as any other body to whom the Trustee has delegated its function of making awards;
- make any necessary amendments to the trust deed to enable the trust fund to be administered properly; and
- consult with the Big Lottery Fund on any matters relating to the Trust.

### **Financial review**

The Trust committed to provide grant funding (net of de-commitments) in the amount of £402,176 (2014: £559,607) during the year. In addition the Trust incurred expenditure of £1,021,932 (2014: £914,479), received grant income of £188,432 (2014: £12,430), net investment income and change in market value of investments of £47,477 (2014: £112,305). At the year end the Trust had net funds of £2,923,597 (2014: £4,111,796).

The original letter of offer from the Big Lottery Fund dated 30 July 2008 states that “*Big Lottery Fund has agreed to offer a grant of £10 million to be expended over the next ten years to The Building Change Trust*”.

In communications with the Big Lottery Fund it has subsequently been confirmed that all funds associated with the £10 million grant, both capital and interest, should be expended by 31 December 2018.

The Trust is taking account of this requirement in its planning and implementation of activity and will make all necessary arrangements to ensure compliance with this requirement. The Trust has a budget with all remaining funds, less a cushion of £400,000 allocated against themes and proposed actions until the end of the life of the Trust. This budget and associated cashflow projections are being reviewed bimonthly.

### **Reserves policy**

All Trust funds are unrestricted and will be applied to meet commitments and planned expenditure in the context of the requirements of the trust deed as agreed and approved by the Trustee.

The trustee directors review the level of reserves annually, together with future plans and strategies, in order to assess the Trust’s ability to expend all funds in full by 31 December 2018.

# The Building Change Trust

## Report of the Trustee (*continued*)

### **Investment policy and performance**

In accordance with the trust deed, any income which is not for the time being required for application should be invested in accordance with the provisions of the Trustee Act (Northern Ireland) 2001. The Trust deed requires the Trustee to delegate the power of investment to a person who is authorised by law to manage investments. Quilter Cheviot, a member of the London Stock Exchange, authorised and regulated by the Financial Services Authority, have been appointed as the Trust's investment managers. The investment objective is to produce income with the potential for capital growth limited to a small percentage of the portfolio.

During 2009 the Trust invested £8,680,164 with Quilter. At the current year end the investment value stood at £2,808,447 (2014: £4,504,984) after expenditure on charitable activities. The value of investments reflects the market value (bid price) of units held in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP).

The Trust's benchmark for the investment portfolio invested with Quilter specifies an investment of 80% of the portfolio in fixed interest gilts, 19% in diversified domestic and international equities, with the remaining 1% split evenly between property funds and cash. The investment portfolio at the current year end shows that 70% of the portfolio is invested in fixed income gilts, 27% is invested in diversified domestic and international equities, 2% in property funds and 1% in cash.

In late 2015 the Trust began to explore and implement arrangements to reduce further risk and uncertainty in its investments in order to ensure spending plans set out until 2018 could be met.

### **Equal opportunities**

The Trust is opposed to all forms of unlawful and unfair discrimination and seeks to treat all who work for it, who apply to and/or receive support from it fairly. The Trust has implemented an equal opportunities policy to ensure that the benefits of the Trust are open to all organisations operating in the community and voluntary sector in Northern Ireland. As a result, the Trust is committed to:

- promoting equality of opportunity for all persons;
- promoting a harmonious working environment in which all persons are treated with respect;
- preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment and victimisation;
- fulfilling all relevant legal obligations under the equality legislation and associated codes of practice;
- complying with internal equal opportunities policy and associated policies;
- taking lawful affirmative or positive action, where appropriate; and
- regarding all breaches of equal opportunities policy as misconduct which could lead to disciplinary proceedings.

### **Complaints procedure**

Complaints in the first instance should be raised either in writing, by letter, by email or by telephone with the Trust Director of Operations. The Trust will acknowledge complaints within seven working days and respond in full within four weeks.

If complaints cannot be resolved by the Director of Operations or the complaint is not resolved satisfactorily, further complaints can be made to the Chairperson of the Trust.

# The Building Change Trust

## Report of the Trustee *(continued)*

### **Conflicts of interest**

The trust deed contains specific provisions in respect of how the Trust is to manage conflicts of interest. This includes, but is not limited to:

- prohibition of the Trustee or trustee directors of acquiring any interest in the property of the Trust;
- declaration of interests (personal or in a body whose interests are likely to be disclosed) prior to the commencement of any meetings;
- withdrawal from attendance at meetings where conflicts are identified; and
- withdrawal of right to vote where a personal interest is identified.

In addition, the Trust has appointed a Protector whose fiduciary duty is to ensure the integrity of the administration of the Trust.

### **Auditor**

The Trust has appointed KPMG as their statutory auditor.

Approved by the Trustee on 5<sup>th</sup> July 2016 and signed on its behalf by:

W B Osborne  
*Chair of Board of Trustee Directors*

M J McCarthy  
*Trustee Director*

# The Building Change Trust

## Remuneration report

The responsibility for the management and administration of the Trust has been assigned to the Community Foundation for Northern Ireland (CFNI) under a service level agreement dated 18 February 2009.

CFNI currently allocates 4 full time employees to the management and administration of the Trust.

The specific tasks carried out by CFNI include:

- Servicing of the Trust Board and associated sub-groups;
- Support for strategy development;
- Action and operational planning;
- Facilitation of meetings;
- Marketing and communication;
- Financial management of the Trust and its accounts;
- Assessment of grant applications;
- Identification of partnerships for the Trust; and
- Liaison with the Protector.

Details of remuneration paid to CFNI can be found in note 9 to the financial statements.

In addition to the remuneration paid to CFNI, the Trust also provides remuneration to the Protector of the Trust, details of which can be found in note 10.

# The Building Change Trust

## Statement on internal control

We acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated by The Building Change Trust which supports the achievement of the Trust's objectives whilst ensuring compliance with the requirements of the Trust's governing documents.

The systems can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of the Corporate Trustee;
- Regular review by a committee of the Board of periodic and annual financial reports which analyse financial performance against targets;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- Formal project management disciplines, as appropriate;
- Procedures for procurement and contracting and the assessment of applications and the management of grants, ensuring that all applications and grants receive sufficient, consistent processing; and
- Procedures for monitoring grants to ensure use for proper purpose.

The major risks to which The Building Change Trust is exposed, as identified by the Trustee, have been reviewed and systems have been established to mitigate those risks. Our risk management strategy:

- Covers all known risks – governance, management, quality, reputational and financial (however it is focused on the most important key risks);
- Produces a balanced portfolio of risk exposure;
- Is based on a clearly articulated policy and approach;
- Requires regular monitoring and review, giving rise to action where appropriate;
- Needs to be managed by an identified individual and involve the demonstrable commitment of members and officers; and
- Is integrated into normal business processes and aligned to strategic objectives of The Building Change Trust.

Our review of the effectiveness of the systems of internal control is informed by the work of the executive managers who have responsibility for the development and maintenance of the control framework and comments made by the external auditors.

We confirm that plans are in place for ensuring the continued effectiveness of control arrangements and managing risks in the coming year.

W B Osborne  
*Chair of Board of Trustee Directors*

M J McCarthy  
*Trustee Director*

5<sup>th</sup> July 2016

5<sup>th</sup> July 2016

# The Building Change Trust

## Statement of Trustee's responsibilities in respect of the Trustee's annual report and financial statements

The Trustees of The Building Change Trust ('the Trustees') have accepted responsibility for the preparation of these non-statutory financial statements for the year ended 31 December 2015 which are intended by them to give a true and fair view of the state of affairs of the Trust and of the excess of expenditure over income for that year. They have decided to prepare those statements in accordance with UK Accounting Standards issued by the Financial Reporting Council and the Statement of Recommended Practice.

In preparing these non-statutory financial statements, the Trustees have:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, 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 Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position, incoming resources and application of resources of the Trust. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

Signed on behalf of the Trustee:

W B Osborne  
*Chair of Board of Trustee Directors*

5<sup>th</sup> July 2016

M J McCarthy  
*Trustee Director*

5<sup>th</sup> July 2016

## Independent auditor's report to the Trustees of The Building Change Trust

We have audited the non-statutory financial statements of The Building Change Trust for the year ended 31 December 2015 which comprise the statement of financial activities, balance sheet, the cash flow statement and related notes. These non-statutory financial statements have been prepared for the reasons set out in note 1 and on the basis of the financial reporting framework of UK Accounting Standards issued by the Financial Reporting Council including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

### **Opinions and conclusions arising from our audit**

#### ***1 Our opinion on the financial statements is unmodified***

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Trust as at 31 December 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the accounting policies and basis of preparation set out in note 1.

### **Basis of our report, responsibilities and restrictions on use**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14 the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the non-statutory financial statements in accordance with the terms of our engagement letter dated 19 January 2016 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 Trust'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 Annual Report 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.

## Independent auditor's report to the Trustee of The Building Change Trust *(continued)*

### **Basis of our report, responsibilities and restrictions on use *(continued)***

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report has been prepared for the Trustees solely in connection with the terms of our engagement letter dated 19 January 2016. It has been released to the Trust on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Trust's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Trustees determined by the Trust's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Trust for any purpose or in any context. Any party other than the Trust who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG will accept no responsibility or liability in respect of our report to any other party.

**John Poole**  
**for and on behalf of KPMG, Statutory Auditor**

*Chartered Accountants*  
Stokes House  
17-25 College Square East  
Belfast  
BT1 6DH

5<sup>th</sup> July 2016

# The Building Change Trust

## Statement of financial activities

Year ended 31 December 2015

|   | <i>Note</i> | <b>Unrestricted<br/>funds<br/>2015<br/>£</b> | Unrestricted<br>funds<br>2014<br>£ |
|---|-------------|--|------------------------------------|
| <b>Income from</b>                                  |             |  |                                    |
| Investments   | 3           | <b>189,922</b>                               | 207,428                            |
| Grant income  | 4           | <b>188,432</b>                               | 12,430                             |
|   |             | <hr/>  | <hr/>                              |
| <b>Total</b>  |             | <b>378,354</b>                               | 219,858                            |
|   |             | <hr/>  | <hr/>                              |
| <b>Expenditure on</b>                               |             |  |                                    |
| Raising funds                                       | 5           | <b>(26,184)</b>                              | (18,980)                           |
| Charitable activities                               | 6           | <b>(1,340,578)</b>                           | (1,408,371)                        |
| Other resources expended                            | 8           | <b>(57,346)</b>                              | (46,735)                           |
|   |             | <hr/>  | <hr/>                              |
| <b>Total</b>  |             | <b>(1,424,108)</b>                           | (1,474,086)                        |
|   |             | <hr/>  | <hr/>                              |
| <b>Net expenses</b>                                 |             | <b>(1,045,754)</b>                           | (1,254,228)                        |
| <i>Other recognised gains and losses</i>            |             |  |                                    |
| Realised and unrealised losses on investment assets | 9           | <b>(142,445)</b>                             | (95,123)                           |
|   |             | <hr/>  | <hr/>                              |
| <b>Net movement in funds</b>                        |             | <b>(1,188,199)</b>                           | (1,349,351)                        |
| <b>Reconciliation of funds</b>                      |             |  |                                    |
| Total funds brought forward                         |             | <b>4,111,796</b>                             | 5,461,147                          |
|   |             | <hr/>  | <hr/>                              |
| <b>Total funds carried forward</b>                  | <i>13</i>   | <b>2,923,597</b>                             | 4,111,796                          |
|   |             | <hr/> <hr/>                                  | <hr/> <hr/>                        |

The notes on pages 20 to 33 form part of these financial statements.

# The Building Change Trust

## Balance sheet

As at 31 December 2015

|  | <i>Note</i> | <b>Unrestricted<br/>funds<br/>2015<br/>£</b> | <b>Unrestricted<br/>funds<br/>2014<br/>£</b> |
|--|-------------|--|--|
| <b>Fixed assets</b>                            |             |  |  |
| Investments                                    | 9           | <b>2,810,247</b>                             | 4,504,984                                    |
| <b>Current assets</b>                          |             |  |  |
| Debtors  | 10          | <b>14,843</b>                                | 2,343  |
| Cash at bank and in hand                       | 10          | <b>928,060</b>                               | 662,869                                      |
| <b>Total current assets</b>                    |             | <b>942,903</b>                               | 665,212                                      |
| <b>Current liabilities</b>                     |             |  |  |
| Creditors: amounts falling due within one year | 11          | <b>(522,117)</b>                             | (555,849)                                    |
| Grants payable within one year                 | 12          | <b>(284,173)</b>                             | (502,551)                                    |
| <b>Total current liabilities</b>               |             | <b>(806,290)</b>                             | (1,058,400)                                  |
| <b>Net current assets/(liabilities)</b>        |             | <b>136,613</b>                               | (393,187)                                    |
| <b>Total assets less current liabilities</b>   |             | <b>2,946,860</b>                             | 4,111,796                                    |
| Grants payable after more than one year        | 12          | <b>(23,263)</b>                              | -  |
| <b>Net assets</b>                              |             | <b>2,923,597</b>                             | 4,111,796                                    |
| <b>Trust funds</b>                             |             |  |  |
| Unrestricted funds                             | 13          | <b>2,923,597</b>                             | 4,111,796                                    |

The notes on pages 20 to 33 form part of these financial statements.

Approved on 5<sup>th</sup> July 2016 and signed on behalf of the Trustee by:

W B Osborne  
*Chair of Board of Trustee Directors*

M J McCarthy  
*Trustee Director*

# The Building Change Trust

## Cash flow statement

Year ended 31 December 2015

|   | <i>Note</i> | <b>2015</b><br>£   | 2014<br>£   |
|---|-------------|--------------------|-------------|
| <b>Cash outflow from operating activities</b> | <i>14</i>   | <b>(1,452,649)</b> | (1,175,744) |
| Returns on investment                         | <i>15a</i>  | -                  | 7,002       |
| Receipts on disposal of financial investments | <i>15b</i>  | <b>1,717,840</b>   | 753,371     |
|   |             | <hr/>              | <hr/>       |
| <b>Increase/(decrease) in cash</b>            |             | <b>265,191</b>     | (415,371)   |
|   |             | <hr/> <hr/>        | <hr/> <hr/> |

## Reconciliation of net cash flow to movement in net funds

Year ended 31 December 2015

|  | <i>Note</i> | <b>2015</b><br>£ | 2014<br>£   |
|--|-------------|------------------|-------------|
| <b>Increase/(decrease) in cash in the year</b> |             | <b>265,191</b>   | (415,371)   |
| Net funds at start of year                     |             | <b>662,869</b>   | 1,078,240   |
|  |             | <hr/>            | <hr/>       |
| <b>Net funds at end of year</b>                | <i>16</i>   | <b>928,060</b>   | 662,869     |
|  |             | <hr/> <hr/>      | <hr/> <hr/> |

The notes on pages 20 to 33 form part of these financial statements.

# The Building Change Trust

## Notes

*(forming part of the financial statements)*

### **1 Basis of preparation**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

There is no requirement under the trust deed for financial statements to be prepared or audited, however the Trustees have decided to prepare these financial statements in accordance with accounting standards issued by the Financial Reporting Council.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. No restatements were required.

The financial statements are prepared on a going concern basis under the accruals concept and provide information that is relevant, reliable, comparable and understandable.

### **2 Accounting policies**

#### *Fund structure*

The Trust received a grant of £10 million from the Big Lottery Fund in December 2008, as an investment for community capacity building and promotion of the voluntary and community sector in Northern Ireland. The Trust will, by 31 December 2018, have invested and expended the £10 million original grant along with any interest generated.

#### *Income*

All incoming resources are recognised when the Trust has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income comprises interest and dividends. Interest received on fixed term deposit accounts and the Trust's current account are accounted for on an accruals basis. Dividends on quoted securities are accounted for when declared.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant has been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

#### *Expenditure*

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure. All expenditure is accounted for on an accruals basis.

Grant payments are payments made to third parties in the furtherance of the charitable objectives of the Trust. Sufficient resources are held in an appropriate form to enable funds to be applied in accordance with grant payment schedules agreed with grantee bodies.

# The Building Change Trust

## Notes *(continued)*

### **2 Accounting policies** *(continued)*

#### *Expenditure (continued)*

Costs of generating funds comprise investment management expenses incurred on investment transactions. Investment management expenses are deducted at source and are not invoiced separately.

#### *Charitable activities*

Costs of charitable activities comprise all costs incurred by the Trust in undertaking its work to meet its charitable objectives, including all resources expended in the delivery of goods and services; including programme and project work directed at the achievement of its charitable aims and objectives.

Grants are recognised when a commitment is made and communicated to those affected, thus raising a valid expectation on the part of the recipient that the Trust will discharge its obligations.

De-commitments are recognised only when amounts previously awarded are formally withdrawn in the event that (i) funds are no longer required; or (ii) the recipient ceases to remain eligible.

#### *Governance costs*

Governance costs comprise all costs associated with the public accountability of the Trust and its compliance with regulation and good practice. These costs include statutory audit and legal fees, external Trust evaluation costs, as well as Protector remuneration and any related expenses. Such costs are accounted for on an accruals basis.

#### *Fixed asset investments*

Investments are stated at market value (bid price) as provided by the investment manager at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

#### *Realised gains and losses*

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the statement of financial activities.

#### *Contingent liabilities and provisions*

In accordance with the SORP, a contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustee's control. Provisions are recognised for those grants where there is uncertainty as to the timing or amount, and any uncertainty regarding the amount is more than one of determining a basis for reasonable estimation of the liability arising from that constructive obligation.

# The Building Change Trust

Notes *(continued)*

## 3 Investment income

|   | 2015<br>£      | 2014<br>£      |
|---|----------------|----------------|
| Bank interest                             | 509            | 7,002          |
| Dividend income                           | 23,230         | 22,971         |
| Gilt interest and other investment income | 166,183        | 177,455        |
|   | <u>189,922</u> | <u>207,428</u> |

## 4 Grant income

|                              | 2015<br>£      | 2014<br>£     |
|------------------------------|----------------|---------------|
| DSD – Inspiring Impact grant | 188,432        | 12,430        |
|                              | <u>188,432</u> | <u>12,430</u> |

## 5 Raising funds

|                             | 2015<br>£     | 2014<br>£     |
|-----------------------------|---------------|---------------|
| Investment management costs | 26,184        | 18,980        |
|                             | <u>26,184</u> | <u>18,980</u> |

## 6 Analysis of charitable expenditure

|   | 2015<br>£        | 2014<br>£        |
|---|------------------|------------------|
| Collaboration NI                        | 249,119          | 266,606          |
| Programme contracts                     | 481,481          | 374,491          |
| Grants awarded (note 7)                 | 426,357          | 579,983          |
| De-commitments                          | (24,181)         | (20,376)         |
| Programme support and development costs | 207,802          | 207,667          |
|   | <u>1,340,578</u> | <u>1,408,371</u> |

As noted in the trustee report on page 5, Collaboration NI refers to amounts paid to NICVA under the terms of a service level agreement for the delivery of the programme.

# The Building Change Trust

Notes *(continued)*

## 6 Analysis of charitable expenditure *(continued)*

Payments in respect of programme contract expenditure are detailed below:

| Name of institution                  | Strategic research theme             | Total amount payable<br>£  |
|--------------------------------------|--------------------------------------|----------------------------|
| Co-op Alternatives                   | Community Shares                     | 62,500                     |
| Involve                              | Civic Activism Support               | 82,000                     |
| NPC & NEIL                           | Social Finance in Environment Sector | 29,700                     |
| Small Change                         | Social Finance in Arts & Culture     | 29,700                     |
| E Jardine                            | Inspiring Impact                     | 9,900                      |
| CultureTech                          | Techies in Residence                 | 80,275                     |
| Kainos                               | Techies in Residence                 | 7,200                      |
| Story FX                             | Techies in Residence                 | 7,200                      |
| Creative Metrics                     | Techies in Residence                 | 7,200                      |
| Kevin Curran                         | Techies in Residence                 | 7,200                      |
| Get Invited                          | Techies in Residence                 | 877,200                    |
| David Shawe                          | Techies in Residence                 | 7,200                      |
| The Melting Pot                      | Social Innovation NI                 | 17,856                     |
| NIEL                                 | Open Government Network Secretariat  | 121,500                    |
| Helen McLaughlin & Pamela Montgomery | Inspiring Impact                     | 3,250                      |
| Rubicon – Peter Osbourne             | Open Government Research             | 800                        |
|                                      |                                      | <hr/> <b>481,481</b> <hr/> |

The Trust does not employ any employees directly. A service level agreement is in place with the Community Foundation for Northern Ireland which has responsibility for the day to day running of the Trust. £188,271 (2014: £184,248) of the total programme support and development costs above represent the amount incurred in respect of these services during the year. There are no higher paid employees (above £60,000) who are remunerated through this service agreement charge.

# The Building Change Trust

## Notes (continued)

### 7 Analysis of grants

|                        | 2015<br>£      | 2014<br>£ |
|------------------------|----------------|-----------|
| Grants to institutions | <b>426,357</b> | 579,983   |

#### Recipients of institutional grants

| <i>Name of institution</i>            | <i>Purpose</i>   | <i>Total amount payable</i><br>£ |
|---------------------------------------|--|----------------------------------|
| Gingerbread                           | Gingerbreads 'Possibilities NI programme', builds on 25 years' experience of helping lone parents into employment. Areas of operation include: supporting disadvantaged individuals return to work through training/coaching/mentoring; working with companies that help clients get back to work by delivering OCR accredited coaching/mentoring to their front line staff; the innovative employability programme.                                   | <b>1,500</b>                     |
| SI Camp                               | Social Innovation Camp designs innovation programmes that use technology for social good, working on problems like healthcare and ageing, education and employment and sustainability of environment and local communities.  | <b>1,560</b>                     |
| The Cedar Foundation                  | The Insight Project will support the civic activism of people with disabilities and older people living across Northern Ireland with the ambition of increasing the meaningful participation of these marginalised groups in decision-making processes that impact on their everyday lives.  | <b>58,737</b>                    |
| The Corrymeela Community              | Specifically targeting the general public as opposed to members of organised groups in a conversation that creates a sense of connection and relationship with the new Causeway Coast & Glens Council and an understanding of their power to shape its future.   | <b>53,940</b>                    |
| Community Places                      | To ensure that communities are better positioned to meaningfully engage and participate in the new power of Community Planning which will shape the planning and provision of local services (e.g. health, community safety, education, employment, planning) and places.  | <b>54,025</b>                    |
| Advice NI                             | Advice NI aim to maximise engagement with the Northern Ireland public (in particular those likely to be most impacted by the Welfare Reform Bill); capture their lived experiences and fears about welfare reform; give them a voice and a platform for engaging with and influencing welfare reform policy decisions.   | <b>60,000</b>                    |
| Holywell Trust                        | The NW Civic Leadership project will address the following issues: NW Innovation, - Creating & Sustaining a Welcoming, Vibrant, Diverse City Centre Space, Young People, Aspirations for Future of Our City, Debt & Poverty - Cycle to be Broken.  | <b>59,950</b>                    |
| RCN                                   | To explore issues of community perspectives and reaction to the location of renewable energy infrastructure (primarily wind turbines) in rural communities.  | <b>19,320</b>                    |
| Integrated Education Fund             | The IEF works to support both existing integrated schools and schools or communities that are exploring integration. This project will hope to engage with the wider community in the Kilkeel area, which has been chosen due to the current lack of integrated provision.   | <b>17,325</b>                    |
| Northern Ireland Foundation           | Fact Check NI will be a platform that promotes a collaborative and bottom-up approach to the political debate, rooted in numbers and facts rather than stereotypes and prejudices. We aim to work with the entire spectrum of civic society, all 4,836 voluntary and community sector organisations in Northern Ireland, with a specific focus on the community and voluntary sector in Northern Ireland and the political spectrum.                   | <b>60,000</b>                    |
| Belfast International Comedy Festival | Imagine!Belfast is a unique festival designed to excite people's minds and passions in an inspiring annual programme of performance, discussion and debate. It will provide a high quality showcase for new ideas on politics, culture and activism in Northern Ireland. We hope to encourage the participation of under-represented groups in political/cultural debate and to stimulate reflection and debate on difficult and controversial issues. | <b>15,000</b>                    |

# The Building Change Trust

Notes (continued)

## 7 Analysis of grants (continued)

### Recipients of institutional grants (continued)

|                             |   |                                  |
|-----------------------------|---|----------------------------------|
| NPC                         | NPC's Digital Transformation programme aims to support and accelerate the adoption of existing digital technologies in the social sector. We believe these technologies have the potential to transform the way the sector operates at a structural level, strengthening its ability to tackle complex social problems – from health and education to poverty and climate change. | <b>5,000</b>                     |
| Heart Healthy Living Centre | The aim is to tackle health inequalities, develop a consortia or shared service procurement model; increase regional coverage by filling geographic gaps in the Western, Southern and Northern Trust areas and to promote partnership and collaboration for better health.  | <b>20,000</b>                    |
|                             |   | <hr/> <b>426,357</b> <hr/> <hr/> |

Sufficient resources are held in an appropriate form and are sufficiently liquid to enable funds to be applied in accordance with grant payment schedules agreed with grantee bodies. See note 14 for details of payment terms agreed with grant recipients.

## 8 Analysis of other resources expended

|                               | 2015<br>£                       | 2014<br>£                       |
|-------------------------------|---------------------------------|---------------------------------|
| Insurance costs               | 1,166                           | 1,166                           |
| Venue hire and catering costs | (6,769)                         | 6,791                           |
| Bank charges                  | 321                             | 219                             |
| Advertising costs             | 18,785                          | 16,503                          |
| Legal costs                   | 3,336                           | -                               |
| Protector remuneration        | 15,155                          | 15,000                          |
| Audit fees                    | 7,752                           | 7,056                           |
| Evaluation and marketing      | 17,600                          | -                               |
|                               | <hr/> <b>57,346</b> <hr/> <hr/> | <hr/> <b>46,735</b> <hr/> <hr/> |

## 9 Fixed asset investments

|   | 2015<br>£                          | 2014<br>£                          |
|---|------------------------------------|------------------------------------|
| Opening market value                        | 4,504,984                          | 5,170,817                          |
| Investment income                           | 188,413                            | 200,426                            |
| Additions – shares purchased                | 1,800                              | -                                  |
| Disposal proceeds                           | (1,717,840)                        | (753,370)                          |
| Investment management expenses              | (24,665)                           | (17,766)                           |
| Realised and unrealised loss on investments | (142,445)                          | (95,123)                           |
|   | <hr/> <b>2,810,247</b> <hr/> <hr/> | <hr/> <b>4,504,984</b> <hr/> <hr/> |

# The Building Change Trust

## Notes (continued)

### 9 Fixed asset investments (continued)

Investment management expenses are deducted at source and the Trust is not invoiced for these separately. Expenses in respect of the quarter ended 31 December 2015 were deducted post year end and are subsequently included in accruals at year end (see note 13).

Investments at market value comprise the following:

|                         | 2015<br>£   | 2014<br>£   |
|-------------------------|-------------|-------------|
| Fixed Interest UK Gilts | 1,955,273   | 3,590,728   |
| Equities                | 774,811     | 811,598     |
| Property funds          | 59,956      | 75,579      |
| Cash funds              | 20,207      | 27,079      |
|                         | <hr/>       | <hr/>       |
|                         | 2,810,247   | 4,504,984   |
|                         | <hr/> <hr/> | <hr/> <hr/> |

### 10 Analysis of current assets

|                                   | 2015<br>£   | 2014<br>£   |
|-----------------------------------|-------------|-------------|
| Prepayments and other receivables | 14,843      | 2,343       |
| Cash at bank                      | 928,060     | 662,869     |
|                                   | <hr/>       | <hr/>       |
|                                   | 942,903     | 665,212     |
|                                   | <hr/> <hr/> | <hr/> <hr/> |

### 11 Analysis of current liabilities

|  | 2015<br>£   | 2014<br>£   |
|--|-------------|-------------|
| Audit fee accrual                              | 7,404       | 7,056       |
| Investment management expenses payable         | 4,344       | 5,626       |
| Other administrative expense accruals          | 2,475       | 20,049      |
| Other payables (including programme contracts) | 507,894     | 523,118     |
|  | <hr/>       | <hr/>       |
|  | 522,117     | 555,849     |
|  | <hr/> <hr/> | <hr/> <hr/> |

# The Building Change Trust

Notes (continued)

## 12 Grant commitments

The Trust has provided letters of offer for the provision of grant funding to the institutions set out in note 7, in addition to those agreed in prior years as follows:

### 2015

|  | Brought forward<br>£ | Commitments made<br>£ | Commitments met<br>£ | De-commitments<br>£ | Carried forward<br>£ |
|--|----------------------|-----------------------|----------------------|---------------------|----------------------|
| Cancer Focus   | 1,500                | -                     | (1,500)              | -                   | -                    |
| CIPFA  | 19,452               | -                     | -                    | -                   | 19,452               |
| Community Arts Partnership                               | 3,848                | -                     | -                    | -                   | 3,848                |
| NICVA  | 2,960                | -                     | -                    | -                   | 2,960                |
| AGE NI   | 2,984                | -                     | -                    | -                   | 2,984                |
| National Deaf Children's Society (NDCS)                  | 2,997                | -                     | -                    | -                   | 2,997                |
| CO3  | 3,000                | -                     | -                    | -                   | 3,000                |
| VNOW   | 2,994                | -                     | (2,347)              | (647)               | -                    |
| Holywell Consultancy (revised budget 13,860)             | 2,772                | -                     | -                    | -                   | 2,772                |
| National Childrens Bureau NCB                            | 2,999                | -                     | -                    | -                   | 2,999                |
| Playboard  | 3,000                | -                     | (3,000)              | -                   | -                    |
| Community Development and Health Network                 | 2,962                | -                     | -                    | -                   | 2,962                |
| Ballymoney Community Resource Centre                     | 2,831                | -                     | -                    | -                   | 2,831                |
| ABC Community Network                                    | 3,000                | -                     | -                    | -                   | 3,000                |
| Youthnet   | 2,948                | -                     | (2,948)              | -                   | -                    |
| Sported Foundation                                       | 3,000                | -                     | (2,663)              | (337)               | 3,000                |
| Holywell Trust   | 2,500                | -                     | (2,500)              | -                   | -                    |
| Holywell Trust Follow on proposal                        | 36,521               | -                     | (34,085)             | (2,436)             | -                    |
| Gingerbread  | 1,230                | 1,500                 | -                    | -                   | 2,730                |
| VOYPIC   | 20,000               | -                     | (20,000)             | -                   | -                    |
| Fermanagh Trust Follow on proposal                       | 51,468               | -                     | (38,844)             | -                   | 12,624               |
| VOYPIC Collaboration Enabling Fund                       | 15,300               | -                     | (15,300)             | -                   | -                    |
| NI Hospice Collaboration Enabling Fund                   | 22,500               | -                     | (8,292)              | (14,208)            | -                    |
| Cancer Focus Collaboration Enabling Fund                 | 30,453               | -                     | (29,203)             | -                   | 1,250                |
| CDM Collaboration Enabling Fund                          | 2,135                | -                     | (1,935)              | (200)               | -                    |
| Start 360  | 14,183               | -                     | (8,330)              | (5,853)             | -                    |
| CCWA   | 440                  | -                     | (440)                | -                   | -                    |
| Top of the Hill  | 500                  | -                     | -                    | (500)               | -                    |
| Youthnet   | 23,813               | -                     | (22,083)             | -                   | 1,730                |
| Early Years  | 10,000               | -                     | (10,000)             | -                   | -                    |
| Heart Healthy Living Centre                              | 22,591               | 20,000                | (37,693)             | -                   | 4,898                |
| Substance  | 1,000                | -                     | -                    | -                   | 1,000                |
| SI Camp  | 53,000               | 1,560                 | (54,560)             | -                   | -                    |
| The Young Foundation (Social Innovation)                 | 140,000              | -                     | (131,000)            | -                   | 9,000                |
| NPC (Social Innovation)                                  | -                    | 5,000                 | (4,500)              | -                   | 500                  |
| The Cedar Foundation                                     | -                    | 58,737                | (23,495)             | -                   | 35,242               |
| The Corrymeela Community                                 | -                    | 53,940                | (21,576)             | -                   | 32,364               |
| Community Places   | -                    | 54,025                | (21,610)             | -                   | 32,415               |
| Advice NI  | -                    | 60,000                | (24,000)             | -                   | 36,000               |
| Holywell Trust   | -                    | 59,950                | (23,980)             | -                   | 35,970               |
| RCN (Rural Community Network)                            | -                    | 19,320                | (15,456)             | -                   | 3,864                |
| Integrated Education Fund                                | -                    | 17,325                | (13,860)             | -                   | 3,465                |
| Northern Ireland Foundation                              | -                    | 60,000                | (16,921)             | -                   | 43,079               |
| Belfast International Comedy Festival (Imagine!Festival) | -                    | 15,000                | (13,500)             | -                   | 1,500                |
| <b>Total</b>   | <b>502,551</b>       | <b>426,357</b>        | <b>(597,291)</b>     | <b>(24,181)</b>     | <b>307,436</b>       |

# The Building Change Trust

Notes (continued)

## 12 Grant commitments (continued)

The table below represents commitments made by the Trust to the respective organisations through formal letters of offer.

The table below sets out the expected timing of future payments:

|   | Within one<br>year<br>£ | Greater than<br>one year<br>£ | 2015<br>Total<br>£ |
|---|-------------------------|-------------------------------|--------------------|
| CIPFA   | 19,452                  | -                             | 19,452             |
| Community Arts Partnership                                  | 3,848                   | -                             | 3,848              |
| NICVA   | 2,960                   | -                             | 2,960              |
| AGE NI  | 2,984                   | -                             | 2,984              |
| National Deaf Children's Society (NDCS)                     | 2,997                   | -                             | 2,997              |
| CO3   | 3,000                   | -                             | 3,000              |
| Holywell Consultancy (revised budget £13,860)               | 2,772                   | -                             | 2,772              |
| National Childrens Bureau NCB                               | 2,999                   | -                             | 2,999              |
| Community Development and Health Network                    | 2,962                   | -                             | 2,962              |
| Ballymoney Community Resource Centre                        | 2,831                   | -                             | 2,831              |
| ABC Community Network                                       | 3,000                   | -                             | 3,000              |
| Gingerbread   | 2,730                   | -                             | 2,730              |
| Fermanagh Trust Follow on proposal                          | 12,624                  | -                             | 12,624             |
| Cancer Focus Collaboration Enabling Fund                    | 1,250                   | -                             | 1,250              |
| Youthnet  | 1,730                   | -                             | 1,730              |
| Heart Healthy Living Centre                                 | 4,898                   | -                             | 4,898              |
| Substance   | 1,000                   | -                             | 1,000              |
| The Young Foundation (Social Innovation)                    | 9,000                   | -                             | 9,000              |
| NPC (Social Innovation)                                     | 500                     | -                             | 500                |
| The Cedar Foundation  | 29,369                  | 5,874                         | 35,242             |
| The Corrymeela Community                                    | 26,970                  | 5,394                         | 32,364             |
| Community Places  | 32,415                  | -                             | 32,415             |
| Advice NI   | 30,000                  | 6,000                         | 36,000             |
| Holywell Trust  | 29,975                  | 5,995                         | 35,970             |
| RCN (Rural Community Network)                               | 3,864                   | -                             | 3,864              |
| Integrated Education Fund                                   | 3,465                   | -                             | 3,465              |
| Northern Ireland Foundation                                 | 43,079                  | -                             | 43,079             |
| Belfast International Comedy Festival<br>(Imagine!Festival) | 1,500                   | -                             | 1,500              |
| <b>Total</b>  | <b>284,173</b>          | <b>23,263</b>                 | <b>307,436</b>     |

# The Building Change Trust

## Notes (continued)

### 12 Grant commitments (continued)

#### 2014

|  | Brought forward<br>£ | Commitments made<br>£ | Commitments met<br>£ | De-commitments<br>£ | Carried forward<br>£ |
|--|----------------------|-----------------------|----------------------|---------------------|----------------------|
| Ulster Cancer Foundation                     | 1,500                | -                     | -                    | -                   | 1,500                |
| The Ashton Centre                            | 4,000                | -                     | (4,000)              | -                   | -                    |
| CIPFA  | 19,452               | -                     | -                    | -                   | 19,452               |
| Community Arts Partnership                   | 3,848                | -                     | -                    | -                   | 3,848                |
| NICVA  | -                    | 14,800                | (11,840)             | -                   | 2,960                |
| AGE NI                                       | -                    | 14,920                | (11,936)             | -                   | 2,984                |
| National Deaf Children's Society (NDCS)      | -                    | 14,987                | (11,990)             | -                   | 2,997                |
| CO3  | -                    | 15,000                | (12,000)             | -                   | 3,000                |
| VNOW   | -                    | 14,970                | (11,976)             | -                   | 2,994                |
| Holywell Consultancy (revised budget 13,860) | -                    | 13,860                | (11,088)             | -                   | 2,772                |
| National Childrens Bureau NCB                | -                    | 14,997                | (11,998)             | -                   | 2,999                |
| Playboard                                    | -                    | 15,000                | (12,000)             | -                   | 3,000                |
| Community Development and Health Network     | -                    | 14,810                | (11,848)             | -                   | 2,962                |
| Ballymoney Community Resource Centre         | -                    | 14,154                | (11,323)             | -                   | 2,831                |
| ABC Community Network                        | -                    | 15,000                | (12,000)             | -                   | 3,000                |
| Youthnet                                     | -                    | 14,740                | (11,792)             | -                   | 2,948                |
| Sported Foundation                           | -                    | 15,000                | (12,000)             | -                   | 3,000                |
| Holywell Trust                               | 2,500                | -                     | -                    | -                   | 2,500                |
| Holywell Trust Follow on proposal            | 57,542               | -                     | (21,021)             | -                   | 36,521               |
| Gingerbread                                  | 2,498                | -                     | (1,268)              | -                   | 1,230                |
| VOYPIC                                       | 20,000               | -                     | -                    | -                   | 20,000               |
| East Belfast Enterprise                      | 2,461                | -                     | (2,134)              | (327)               | -                    |
| STEP   | 19,414               | 1,426                 | (20,840)             | -                   | -                    |
| Fermanagh Trust Follow on proposal           | 51,468               | -                     | -                    | -                   | 51,468               |
| VOYPIC Collaboration Enabling Fund           | 15,300               | -                     | -                    | -                   | 15,300               |
| NI Hospice Collaboration Enabling Fund       | 22,500               | -                     | -                    | -                   | 22,500               |
| WEA Collaboration Enabling Fund              | 36,603               | -                     | (16,565)             | (20,038)            | -                    |
| Cancer Focus Collaboration Enabling Fund     | 36,250               | -                     | (5,797)              | -                   | 30,453               |
| CDM Collaboration Enabling Fund              | 2,135                | -                     | -                    | -                   | 2,135                |
| Youthnet Collaboration Enabling Fund         | 1,000                | -                     | (991)                | (9)                 | -                    |
| Start 360                                    | -                    | 20,037                | (14,184)             | -                   | 5,853                |
| CCWA   | -                    | 4,400                 | (3,960)              | -                   | 440                  |
| Top of the Hill                              | -                    | 5,000                 | (4,500)              | -                   | 500                  |
| Youthnet                                     | -                    | 52,919                | (29,106)             | -                   | 23,813               |
| Early Years                                  | -                    | 10,000                | -                    | -                   | 10,000               |
| Heart Healthy Living Centre                  | -                    | 50,203                | (27,612)             | -                   | 22,591               |
| Other Grants                                 | -                    | -                     | -                    | -                   | -                    |
| Charity Bank                                 | 44,050               | 8,810                 | (52,860)             | -                   | -                    |
| Substance                                    | 1,000                | -                     | -                    | -                   | 1,000                |
| Inspiring Impact NI Awards - ACF             | 3,244                | -                     | (3,242)              | (2)                 | -                    |
| SI Camp                                      | 36,925               | 54,950                | (38,875)             | -                   | 53,000               |
| The Young Foundation (Social Innovation)     | -                    | 180,000               | (40,000)             | -                   | 140,000              |
| <b>Total</b>                                 | <b>383,690</b>       | <b>579,983</b>        | <b>(440,746)</b>     | <b>(20,376)</b>     | <b>502,551</b>       |

# The Building Change Trust

## Notes (continued)

### 12 Grant commitments (continued)

The table below represents commitments made by the Trust to the respective organisations through formal letters of offer in the prior period. These commitments were analysed as follows as at 31 December 2014:

|   | <b>Within 1 Year</b> |
|---|----------------------|
|   | <b>£</b>             |
| Ulster Cancer Foundation                      | 1,500                |
| CIPFA   | 19,452               |
| Community Arts Partnership                    | 3,848                |
| NICVA   | 2,960                |
| AGE NI  | 2,984                |
| National Deaf Children's Society (NDCS)       | 2,997                |
| CO3   | 3,000                |
| VNOW  | 2,994                |
| Holywell Consultancy (revised budget £13,860) | 2,772                |
| National Childrens Bureau NCB                 | 2,999                |
| Playboard                                     | 3,000                |
| Community Development and Health Network      | 2,962                |
| Ballymoney Community Resource Centre          | 2,831                |
| ABC Community Network                         | 3,000                |
| Youthnet                                      | 2,948                |
| Sported Foundation                            | 3,000                |
| Holywell Trust                                | 2,500                |
| Holywell Trust Follow on proposal             | 36,521               |
| Gingerbread                                   | 1,230                |
| VOYPIC  | 20,000               |
| Fermanagh Trust Follow on proposal            | 51,468               |
| VOYPIC Collaboration Enabling Fund            | 15,300               |
| NI Hospice Collaboration Enabling Fund        | 22,500               |
| Cancer Focus Collaboration Enabling Fund      | 30,453               |
| CDM Collaboration Enabling Fund               | 2,135                |
| Start 360                                     | 5,853                |
| CCWA  | 440                  |
| Top of the Hill                               | 500                  |
| Youthnet                                      | 23,813               |
| Early Years                                   | 10,000               |
| Heart Healthy Living Centre                   | 22,591               |
| Substance                                     | 1,000                |
| SI Camp                                       | 53,000               |
| The Young Foundation (Social Innovation)      | 140,000              |
|   | <hr/>                |
| Total   | 502,551              |
|   | <hr/> <hr/>          |

The awarding of these grants is subject to the institutions meeting certain criteria as set out in the letter of offer.

# The Building Change Trust

Notes (continued)

## 13 Analysis of charitable funds

|                    | Fund<br>b/fwd<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Gains/<br>(losses)<br>£ | Fund<br>c/fwd<br>£ |
|--------------------|--------------------|----------------------------|----------------------------|----------------|-------------------------|--------------------|
| Unrestricted funds | 4,111,796          | 378,354                    | (1,424,108)                | -              | (142,445)               | <b>2,923,597</b>   |

## 14 Reconciliation of net outgoing resources to net cash outflow from operating activities

|   | 2015<br>£          | 2014<br>£          |
|---|--------------------|--------------------|
| Net outgoing resources before other recognised gains and losses | (1,237,486)        | (1,461,656)        |
| Investment management costs                                     | 26,184             | 18,980             |
| (Increase)/decrease in debtors                                  | (12,500)           | (2,021)            |
| (Decrease)/increase in creditors                                | (228,847)          | 268,953            |
|   | <b>(1,452,649)</b> | <b>(1,175,744)</b> |

## 15 Analysis of cash flows for headings in the cash flow statement

|  | 2015<br>£        | 2014<br>£ |
|--|------------------|-----------|
| <i>a) Returns on investment</i>                        |                  |           |
| Interest received                                      | -                | 7,002     |
| <i>b) Capital expenditure and financial investment</i> |                  |           |
| Receipts on disposal of financial investments          | <b>1,717,840</b> | 753,371   |

# The Building Change Trust

Notes (continued)

## 16 Analysis of changes in financing during the year

|                          | At<br>start of year<br>£ | Net<br>cash flow<br>£ | At<br>end of year<br>£ |
|--------------------------|--------------------------|-----------------------|------------------------|
| Cash at bank and in hand | 662,869                  | 265,191               | <b>928,060</b>         |
| Bank overdrafts          | -                        | -                     | -                      |
|                          | <hr/>                    | <hr/>                 | <hr/>                  |
|                          | 662,869                  | 265,191               | <b>928,060</b>         |
|                          | <hr/>                    | <hr/>                 | <hr/>                  |
| Debt                     | -                        | -                     | -                      |
|                          | <hr/>                    | <hr/>                 | <hr/>                  |
| Net funds                | 662,869                  | 265,191               | <b>928,060</b>         |
|                          | <hr/> <hr/>              | <hr/> <hr/>           | <hr/> <hr/>            |

## 17 Related party transactions and Trustee remuneration

Two or more parties are considered related when at any time during the financial year one party has influence over the financial and operating policies of the other party to the extent that the other party might be inhibited from pursuing at all times its own separate interests and/or where the parties are subject to common control from the same source.

J McVey, trustee director, is a board member of the Community Arts Partnership. No grants were issued by the Trust to the Community Arts Partnership during the year (2014: £Nil). At 31 December 2015, amounts payable to the Community Arts Partnership totalled £3,848 (2014: £3,848).

J McVey was nominated as trustee director by Volunteer Now. The Trust issued grant funding of £174 to Volunteer Now during the current year (2014: £14,970) and at 31 December 2015 amounts payable to this organisation totalled £2,994 (2014: £2,994).

M Monaghan, trustee director, is a director of CO3. The Trust issued grant funding of £Nil during the year (2014: £15,000). At 31 December 2015, amounts payable to CO3 totalled £3,000 (2014: £3,000). CO3 is also a party to the Collaboration NI consortium, amounts paid to Collaboration NI during the year have been disclosed in note 6 and at 31 December 2015 amounts outstanding and payable to Collaboration NI totalled £47,000 (2014: £ nil).

As noted in the Report of the Trustee, trustee directors are from a variety of backgrounds, some of whom having been nominated by one of the five original bid partners. Certain transactions have been recorded during the year between the Trust and organisations which have nominated individuals to serve as directors of the Corporate Trustee. Whilst these transactions are not deemed to be related party transactions under *FRS 8: Related Party Disclosures*, they have been disclosed for transparency purposes below.

M McCarthy was nominated as trustee director by Business in the Community (BITC). No grants were issued to BITC during the year (2014: £nil) and at 31 December 2015 there were no amounts payable to BITC (2014: £nil).

# The Building Change Trust

## Notes (continued)

### 17 Related party transactions and Trustee remuneration (continued)

M Meehan was nominated as trustee director by Community Evaluation Northern Ireland (CENI). The Trust issued grant funding of £nil and incurred programme contract expenditure of £nil (2014: £223,211 and £255,700 respectively) in respect of CENI during the year. At 31 December 2015 amounts outstanding and payable to CENI totalled £nil (2014: £ nil) and £nil (2014: £348,321) in respect of grant funding and programme contracts respectively.

C Cooke was nominated as trustee director by Community Foundation for Northern Ireland (CFNI). The Trust issued grant funding of £nil (2014: £ nil) during the year and incurred administrative expenditure of £188,271 (2014: £184,248) under the terms of a service level agreement with CFNI for the provision of administration services. At 31 December 2015 there are no amounts payable to CFNI (2014: £nil).

E Keys was nominated as trustee director by Rural Community Network (RCN). The Trust issued grant funding of £19,320 to RCN during the year (2014: £Nil) and at 31 December 2015 amounts payable to this organisation totalled £3,864 (2014: £nil).

Certain transactions have also been recorded during the year between the Trust and grant recipients/organisations whereby a trustee director has an existing relationship with the grant recipient/organisation. Whilst these transactions are not deemed to be related party transactions under *FRS 8: Related Party Disclosures*, they have been disclosed for transparency purposes below.

M McCarthy, trustee director, is an employee of First Trust Bank with whom the Trust holds both a current and deposit account. Balances on these current and deposit accounts totalled £185,135 (2014: £455,338) and £743,109 (2014: £109) respectively at 31 December 2015. Details of interest accrued and charges applied are disclosed in notes 3 and 8 respectively.

Details of grants awarded to all bodies, commitments met, outstanding balances and expected payment dates are disclosed in note 12. Expenditure in respect of programme contracts is disclosed in note 6. All grants awarded and programme contract expenditure are approved collectively by the board of trustee directors and cannot be influenced by one trustee director alone.

During the year no trustee director or any person connected with the Trust has received remuneration from the Trust. Expenses of £424 (2014: £546) were received by the trustee directors during the year in respect of travel and subsistence. Amounts paid to the Protector are disclosed in Note 8.

### 18 Post balance sheet events

Certain grants have had the claim period extended post year end, however such amendments have had no impact on the ageing classification of grants payable at 31 December 2015.

### 19 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Trust's first financial statements prepared in accordance with FRS 102. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014. In preparing its FRS 102 balance sheet, the Trust has not adjusted any amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).