



Annual Accounts 2014



The Building Change Trust

Annual Report and Financial Statements

Year ended 31 December 2014

The Building Change Trust

Annual Report and Financial Statements

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The Building Change Trust

Reference and administrative information

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

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 2014. 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 2005).

Structure, governance and management

The Trust is recognised as a charity by HM Revenue and Customs, number XT11390, and is constituted under a trust deed dated 12 December 2008. The Trust was established by the Big Lottery Fund and Building Change Trust Limited and was awarded £10 million to 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 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 three and a half full time equivalent staff are employed by CFNI to work on Trust business. A Director of Operations, Finance and Administration Officer and Development and Implementation Officer are employed full-time with a Communications Officer employed on a part-time basis.

Trustee directors, induction and training

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

C Cooke
J Harrison
M Henry (appointed 14 August 2014)
E Keys
M J McCarthy
M McKee (appointed 26 September 2014)
J McVey
M Meehan
M Monaghan
W B Osborne
J Peto (appointed 14 August 2014)
K Smyth (appointed 15 September 2014)

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, others have been openly recruited and others appointed by the Big Lottery Fund.

The Building Change Trust

Report of the Trustee (*continued*)

Trustee directors, induction and training (*continued*)

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 Trust governance structure comprises:

- The Trustee Board 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.

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.

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 Building Change Trust

Report of the Trustee *(continued)*

Risk management *(continued)*

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. 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 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.

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.

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; and
- a learning and influential sector.

and by working across five clear thematic areas with Leadership as a cross cutting theme. 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 these objectives by expending Trust funds in a number of ways across these five thematic areas including:

- grant aid to individual projects undertaken by the original bid partners and others;

The Building Change Trust

Report of the Trustee (*continued*)

- 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;
- supporting development of social finance in Northern Ireland;
- 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, the independence of the voluntary and community sector in NI, best practice in civic engagement and so forth.

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 supplement 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 agreed during the current year in respect of the Trust's work on the following key strategic themes:

- Social finance
- Collaboration
- Inspiring impact
- Social innovation
- Creative space for civic thinking

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

Social finance

The Building Change Trust

Report of the Trustee (*continued*)

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.

Programme contracts (*continued*)

Social finance (continued)

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 2013 and subsequently extended to 3 years and will now end in March 2016.

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.

The Trust continued in 2014 to explore the possibilities for a grant/loan hybrid product with a leading social finance intermediary locally.

Collaboration

The Trust has identified greater and improved collaboration as another key area, following its investment in the sector and has provisionally allocated £2 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 a three year period from 2011 to 2014.

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).

The Building Change Trust

Report of the Trustee *(continued)*

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).

Programme contracts *(continued)*

Collaboration (continued)

In Autumn 2013 the Trust enhanced the support available to the sector from Collaboration NI by establishing a Collaboration Enabling Fund totalling £350,000. This fund, which is only accessible to organisations having engaged with Collaboration NI, offers Building Change Awards to assist organisations with the implementation of their collaboration plans.

In mid 2014, following an extensive redevelopment exercise carried out on behalf of the Trust by the Institute for Voluntary Action Research, the Trust agreed to commission Phase 2 of the Collaboration NI programme for a further two year period ending 30 June 2016.

Inspiring impact

In 2011 the Trust identified that the topic of impact measurement and practice in the sector was one of possible strategic importance and agreed to explore 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 2013. The Trust subsequently tendered for a strategic partner to develop and deliver the programme. CENI were appointed in December 2014 and the programme commenced in earnest in January 2013.

The Inspiring Impact NI programme is a two year initiative co funded by the Department for Social Development and will involve work with the sector, funders and a number of activities exploring best practice and current developments. To date the programme has 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 have been additional actions to share experience and best practice and influence policy makers.

Social innovation

Following on from the publication of an initial research report in April 2014, the Trust agreed with CFNI to recruit an additional staff member, a Development and Implementation Officer, to take forward the development and later implementation of an action plan for the Social Innovation theme. The successful candidate took up post in September 2013. 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 include the commissioning of research into Digital Social Innovation which has led to the development of a "Techies in Residence" programme which will commence in mid 2015 and the creation

The Building Change Trust

Report of the Trustee (*continued*)

of a “Tech for Good” working group which meets to consider the issues around the use of technology for mission related activity.

Programme contracts (*continued*)

Creative space for civic thinking

The Trust commenced an action planning process for this theme in September 2013 with the Development and Implementation Officer taking the lead role supported by an external consultant. Draft plans were considered and agreed by the Trust Board in February 2014 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, developing a civic activism toolkit and developing a linked grants programme which will go live in 2015.

Leadership

Having initially identified leadership as a standalone theme, the Trust has subsequently agreed that leadership is a cross cutting theme and that rather than develop a specific and separate action plan in respect of supporting leadership development in the sector that leadership will be more of a cross cutting theme with specific actions embedded in other thematic action plans as appropriate. Work under the Collaboration and Inspiring Impact themes in particular has a strong focus on leadership support and development.

Financial review

The Trust committed to provide grant funding (net of de-commitments) in the amount of £559,607 (2013: £303,132) during the year. In addition the Trust incurred expenditure of £914,479 (2013: £927,743), received voluntary income of £nil (2013: £2,693), grant income of £12,430 (2013: £Nil) net investment income and change in market value of investments of £112,305 (2013: £186,776). At the year end the Trust had net funds of £4,108,797 (2013: £5,461,147).

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.

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 Building Change Trust

Report of the Trustee (*continued*)

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.

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, 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 £4,504,984 (2013: £5,170,817) 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 2005).

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 79% of the portfolio is invested in fixed income gilts, 18% is invested in diversified domestic and international equities, 2% in property funds and 1% in cash.

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 2 July 2015 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 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 3 full time and one part time employee 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;
- Liaison with finance staff;
- Assessment of grant applications;
- Identification of partnerships for the Trust;
- Liaison with the Protector; and
- Day to day administration of the Trust bank account.

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 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

2 July 2015

2 July 2015

The Building Change Trust

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

Under the trust deed of the Trust and charity law, the Trustee is responsible for preparing the Trustee's annual report and financial statements in accordance with applicable law and regulations.

The financial statements are required by law 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 period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- 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 Trustee is required to act in accordance with the trust deed of the Trust, within the framework of trust law. It is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Trust at that time, and to enable the Trustee to ensure that, where any statements of account are prepared by it, those statements of account comply with relevant legislation. It has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the Trust's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Trustee:

W B Osborne
Chair of Board of Trustee Directors

2 July 2015

M J McCarthy
Trustee Director

2 July 2015

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

We have audited the financial statements of The Building Change Trust for the year ended 31 December 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Trust's Trustee, as a body, in accordance with relevant legislation. Our audit work has been undertaken so that we might state to the Trust's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 13, the Trustee is responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 December 2014 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; and
- have been properly prepared in accordance with relevant legislation.

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

Matters on which we are required to report by exception

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

- the information given in the Trustee's annual report is inconsistent in any material respect with the financial statements; or
- the Trust has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Arthur O'Brien
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
Stokes House
17-25 College Square East
Belfast
BT1 6DH

[Date] 2015

The Building Change Trust

Statement of financial activities

Year ended 31 December 2014

	<i>Note</i>	Unrestricted funds 2014 £	Unrestricted funds 2013 £
Incoming resources			
<i>Incoming resources from generated funds</i>			
Investment income	3	207,428	232,834
Voluntary income	4	-	2,693
Grant income	5	12,430	-
		<hr/>	<hr/>
Total incoming resources		219,858	235,527
		<hr/>	<hr/>
Resources expended			
<i>Costs of generating funds</i>			
Investment management costs	6	(18,980)	(14,013)
Charitable activities	7	(1,408,371)	(1,188,399)
Other resources expended	9	(24,679)	(4,573)
		<hr/>	<hr/>
		(1,452,030)	(1,206,985)
Governance costs	10	(22,056)	(23,890)
		<hr/>	<hr/>
Total resources expended		(1,474,086)	(1,230,875)
		<hr/>	<hr/>
Net outgoing resources before other recognised gains and losses		(1,254,228)	(995,348)
<i>Other recognised gains and losses</i>			
Realised and unrealised losses on investment assets	11	(95,123)	(46,058)
		<hr/>	<hr/>
Net movement in funds		(1,349,351)	(1,041,406)
Total funds brought forward		5,461,147	6,502,553
		<hr/>	<hr/>
Total funds carried forward	15	4,111,796	5,461,147
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 33 form part of these financial statements.

The Building Change Trust

Balance sheet

As at 31 December 2014

	<i>Note</i>	Unrestricted funds 2014 £	Unrestricted funds 2013 £
Fixed assets			
Investments	<i>11</i>	4,504,984	5,170,817
Current assets			
Debtors	<i>12</i>	2,343	322
Cash at bank and in hand	<i>12</i>	662,869	1,078,240
Total current assets		665,212	1,078,562
Current liabilities			
Creditors: amounts falling due within one year	<i>13</i>	(555,849)	(404,542)
Grants payable within one year	<i>14</i>	(502,551)	(246,427)
Total current liabilities		(1,058,400)	(650,969)
Net current (liabilities)/assets		(393,187)	427,593
Total assets less current liabilities		4,111,796	5,598,410
Grants payable after more than one year	<i>14</i>	-	(137,263)
Net assets		4,111,796	5,461,147
Trust funds			
Unrestricted funds	<i>15</i>	4,111,796	5,461,147

The notes on pages 19 to 33 form part of these financial statements.

Approved on 2 July 2015 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 2014

	<i>Note</i>	2014 £	2013 £
Cash outflow from operating activities	<i>15</i>	(1,175,744)	(1,139,129)
Returns on investment	<i>17a</i>	7,002	14,427
Receipts on disposal of financial investments	<i>17b</i>	753,371	958,300
		_____	_____
Decrease in cash		(415,371)	(166,402)
		=====	=====

Reconciliation of net cash flow to movement in net funds

Year ended 31 December 2014

	<i>Note</i>	2014 £	2013 £
Decrease in cash in the year		(415,371)	(166,402)
Net funds at start of year		1,078,240	1,244,642
		_____	_____
Net funds at end of year	<i>18</i>	662,869	1,078,240
		=====	=====

The notes on pages 19 to 33 form part of these financial statements.

The Building Change Trust

Notes

(forming part of the financial statements)

1 Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception that investments are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005), applicable UK Accounting Standards and relevant legislation. They have been prepared in a format which meets conditions set by the Big Lottery Fund in return for the original grant received.

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

As noted on the Balance Sheet there is an excess of current liabilities over current assets, however the Trust has significant amounts within investments that are readily disposable to cover any shortfall.

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.

Incoming resources

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.

Voluntary income comprises donations received towards the Collaboration NI and Added Value programmes. Amounts are recognised when the Trust has unconditional entitlement to the resources.

Resources expended

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)*

Cost of generating funds

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.

Comparative amounts

Certain comparative amounts have been reclassified in the current year financial statements to enable comparability.

The Building Change Trust

Notes (continued)

3 Investment income

	2014 £	2013 £
Bank interest	7,002	14,427
Dividend income	22,971	24,665
Gilt interest and other investment income	177,455	193,742
	<u>207,428</u>	<u>232,834</u>

4 Voluntary income

	2014 £	2013 £
Study visit income	-	2,693
	<u>-</u>	<u>2,693</u>

5 Grant income

	2014 £	2013 £
DSD – inspiring impact grant	12,430	-
	<u>12,430</u>	<u>-</u>

6 Investment management costs

	2014 £	2013 £
Fees deducted at source	18,980	14,013
	<u>18,980</u>	<u>14,013</u>

The Building Change Trust

Notes (continued)

7 Analysis of charitable expenditure

	2014	2013
	£	£
Collaboration NI	266,606	182,124
Programme contracts	374,491	500,792
Grants awarded (note 8)	579,983	343,250
De-commitments	(20,376)	(40,118)
Programme support and development costs	207,667	202,351
	<hr/>	<hr/>
	1,408,371	1,188,399
	<hr/> <hr/>	<hr/> <hr/>

As noted in the trustee report on page 6, Collaboration NI refers to amounts paid to NICVA under the terms of a service level agreement for the delivery of the programme.

Payments in respect of programme contract expenditure are detailed below:

<i>Name of institution</i>	<i>Strategic research theme</i>	<i>Total amount payable</i>
		£
CENI	Inspiring Impact II	233,458
CENI	Inspiring Impact	(10,247)
IVAR	Development of collaboration	29,250
The Young Foundation	Digital Social Innovation	5,071
SJ Cartmin	Techies in Residence Scoping Study	8,400
University of Ulster	Independence research	76,484
Rubicon – Peter Osbourne	Open Gov research	9,900
Involve	Contract – CS	6,000
Helen McLaughlin – Interaction Institute	Creative space for civic thinking	7,950
Helen McLaughlin & Pamela Montgomery	Inspiring Impact	-
		<hr/>
Total programme contracts awarded		374,491
		<hr/> <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. £184,248 (2013: £167,420) 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)

8 Analysis of grants

	2014 £	2013 £
Grants to institutions	579,983	343,250

Recipients of institutional grants

<i>Name of institution</i>	<i>Purpose</i>	<i>Total amount payable £</i>
NICVA	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,800
AGE NI	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,920
National Deaf Children's Society (NDCS)	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,987
CO3	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	15,000
VNOW	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,970
Holywell Consultancy	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	13,860
National Childrens Bureau NCB	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,997
Playboard	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	15,000
Community Development and Health Network	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,810
Ballymoney Community Resource Centre	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,154
ABC Community Network	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	15,000

The Building Change Trust

Notes (continued)

<i>Name of institution</i>	<i>Purpose</i>	<i>Total amount payable £</i>
Youthnet	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	14,740
Sported Foundation	To support community and voluntary organisations to plan for impact practice by providing information and training on impact practice and by dissemination and encouraging the use of the best practice materials and resources developed by the Inspiring Impact UK Programme.	15,000
STEP	To improve the provision of quality assured information, advice and guidance to individuals as a key function in community development linking individual personal development and problem solving with collective community action.	1,426
Start 360	The group has developed an idea for a long-term collaborative project geared at developing and supporting Educational Impact Networks to transform educational experience and outcomes at local community level. The networks will involve local communities, CVS, schools and local businesses working together and with the project partners to trial new approaches that will be recorded through participative research.	20,037
CCWA	To enable a more sustained and effective engagement with faith groups and local communities. After a year of post-merger, CCWA (NI) and Linc are still not as fully integrated as they would like. The support is essentially therefore post-merger support to address this concern.	4,400
Top of the Hill	Top of the Hill 2010 and Hillcrest House have merged, so as to be more financially sustainable, become more competitive in a new funding environment and be able to better meet the needs of users by joining services together and sharing expertise. The funding is aimed at assisting this transition.	5,000
Youthnet	To inform the creation of a support hub based on co-operation, collaboration, shared learning and resources. They seek to develop a model of support to meet its youth workforce development strategy and commitment to support volunteers.	52,919
Early Years	Early Years have been selected as the preferred organisation to take over leadership of the Orana Children and Family Centre. Outcomes of the collaboration include the continued and enhanced delivery of services to children, and particularly disabled children, and their families; the continued employment of staff within the project; the continued delivery of the SureStart services to children and families within the top 25% deprived wards in the Newry and surrounds area; and the further development of an inclusive environment with greater uptake of services. The funding is to facilitate this.	10,000
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.	50,203
Charity Bank	Research into investment readiness.	8,810
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 the sustainability of the environment and local communities.	54,950
The Young Foundation (Social Innovation)	The Building Change Trust provided grant aid to The Young Foundation for Phase 1 of the Socially Sustainable Northern Ireland Programme. This intensive social innovation intervention sought to work in three geographic areas across NI, Belfast, Derry/Londonderry and Enniskillen to both use detailed ethnographic research to understand and tell the story of the issues facing the communities and then start to identify and support new initiatives that had the potential to deal with the social problems identified in new and imaginative ways.	180,000
Total		579,983

The Building Change Trust

Notes (continued)

8 Analysis of grants (continued)

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.

9 Analysis of other resources expended

	2014 £	2013 £
Administration costs	-	2,040
Insurance costs	1,166	1,034
Venue hire and catering costs	6,791	1,263
Bank charges	219	236
Advertising costs	16,503	-
	<hr/>	<hr/>
	24,679	4,573
	<hr/> <hr/>	<hr/> <hr/>

10 Analysis of governance costs

	2014 £	2013 £
Protector remuneration	15,000	15,000
Consultancy fees	-	1,834
Audit fees	7,056	7,056
	<hr/>	<hr/>
	22,056	23,890
	<hr/> <hr/>	<hr/> <hr/>

11 Fixed asset investments

	2014 £	2013 £
Opening market value	5,170,817	5,972,386
Investment income	200,426	218,407
Disposal proceeds	(753,370)	(958,300)
Investment management expenses	(17,766)	(15,618)
Realised and unrealised loss on investments	(95,123)	(46,058)
	<hr/>	<hr/>
Closing market value	4,504,984	5,170,817
	<hr/> <hr/>	<hr/> <hr/>

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 2014 were deducted post year end and are subsequently included in accruals at year end (see note 13).

The Building Change Trust

Notes (continued)

11 Fixed asset investments (continued)

Investments at market value comprise the following:

	2014 £	2013 £
Fixed Interest UK Gilts	3,590,728	4,138,686
Equities	811,598	942,886
Property funds	75,579	34,511
Cash funds	27,079	54,734
	<hr/>	<hr/>
	4,504,984	5,170,817
	<hr/> <hr/>	<hr/> <hr/>

12 Analysis of current assets

	2014 £	2013 £
Prepayments and other receivables	2,343	322
Cash at bank	662,869	1,078,240
	<hr/>	<hr/>
	665,212	1,078,562
	<hr/> <hr/>	<hr/> <hr/>

13 Analysis of current liabilities

	2014 £	2013 £
Audit fee accrual	7,056	7,056
Investment management expenses payable	5,626	4,411
Other administrative expense accruals	20,049	5,430
Other payables (including programme contracts)	523,118	387,645
	<hr/>	<hr/>
	555,849	404,542
	<hr/> <hr/>	<hr/> <hr/>

The Building Change Trust

Notes (continued)

14 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:

2014	Brought forward £	Commitments made £	Commitments met £	De- commitments £	Carried forward £
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 Colloboration Enabling Fund	15,300	-	-	-	15,300
NI Hospice Colloboration Enabling Fund	22,500	-	-	-	22,500
WEA Colloboration Enabling Fund	36,603	-	(16,565)	(20,038)	-
Cancer Focus Colloboration Enabling Fund	36,250	-	(5,797)	-	30,453
CDM Colloboration Enabling Fund	2,135	-	-	-	2,135
Youthnet Colloboration 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
Total	383,690	579,983	(440,746)	(20,376)	502,551

The Building Change Trust

Notes (continued)

14 Grant commitments (continued)

The table overleaf represents commitments made by the Trust to the respective organisations through formal letters of offer. These commitments cover periods of one to two years.

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

	Within 1 Year £
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 Colloboration Enabling Fund	15,300
NI Hospice Colloboration Enabling Fund	22,500
Cancer Focus Colloboration Enabling Fund	30,453
CDM Colloboration 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 Building Change Trust

Notes (continued)

14 Grant commitments (continued)

2013

	Brought forward £	Commitments made £	Commitments met £	De- commitments £	Carried forward £
CENI	15,000	-	(15,000)	-	-
NI Hospice (Collaboration EF)	-	50,000	(27,500)	-	22,500
WEA (Collaboration EF)	-	69,700	(33,097)	-	36,603
Cancer Focus (Collaboration EF)	-	50,000	(13,750)	-	36,250
CFNI (EC)	5,300	-	(2,634)	(2,666)	-
Volunteer Now (BP)	70,445	-	(70,445)	-	-
Volunteer Now (DC)	20,000	-	(20,000)	-	-
Ulster Community Investment Trust	3,600	-	(3,600)	-	-
Forthspring ICG	3,552	-	(3,552)	-	-
CDM (Collaboration EF)	-	4,500	(2,365)	-	2,135
CO3	2,800	-	(2,800)	-	-
Royal Mencap Society	4,000	-	(4,000)	-	-
Holywell Trust	2,500	-	-	-	2,500
Holywell Trust (Follow on)	-	110,000	(52,458)	-	57,542
Charity Bank	14,960	-	(11,845)	(3,115)	-
Charity Bank (Other grant)	-	44,050	-	-	44,050
Youthnet	2,435	-	(2,430)	(5)	-
Youthnet (Collaboration EF)	-	5,000	(4,000)	-	1,000
Ulster Cancer Foundation	4,300	-	(2,800)	-	1,500
Substance	-	10,000	(9,000)	-	1,000
Intercomm	4,000	-	-	(4,000)	-
The Ashton Centre	4,000	-	-	-	4,000
Community Arts Partnership	3,848	-	-	-	3,848
Mulholland Aftercare Services	5,340	-	(5,180)	(160)	-
Gingerbread	19,990	-	(17,492)	-	2,498
VOYPIC	20,000	-	-	-	20,000
VOYPIC (Collaboration EF)	34,000	-	(18,700)	-	15,300
The Villages Together	2,491	-	(1,324)	(1,167)	-
Age NI	20,000	-	(17,500)	(2,500)	-
CIPFA	19,452	-	-	-	19,452
East Belfast Enterprise	2,461	-	-	-	2,461
STEP	19,414	-	-	-	19,414
Fermanagh Trust	3,923	-	(3,923)	-	-
Fermanagh Trust (Follow on)	120,000	-	(68,532)	-	51,468
Belfast & Lisburn WA	981	-	(981)	-	-
Action Mental Health	50,000	-	(23,495)	(26,505)	-
Inspiring Impact Awards ACF	6,488	-	(3,244)	-	3,244
SI Camp	74,500	-	(37,575)	-	36,925
	<u>559,780</u>	<u>343,250</u>	<u>(479,222)</u>	<u>(40,118)</u>	<u>383,690</u>

The Building Change Trust

Notes (continued)

14 Grant commitments (continued)

The table overleaf represents commitments made by the Trust to the respective organisations through formal letters of offer in the prior period. These commitments covered a one to two year period and were analysed as follows as at 31 December 2013:

	Within one year £	Greater than one year £	2013 Total £
NI Hospice (Collaboration EF)	20,000	2,500	22,500
WEA (Collaboration EF)	27,080	9,523	36,603
Cancer Focus (Collaboration EF)	11,250	25,000	36,250
CDM (Collaboration EF)	2,135	-	2,135
Holywell Trust	2,500	-	2,500
Holywell Trust (Follow on)	28,771	28,771	57,542
The Charity Bank (Other grant)	35,240	8,810	44,050
Youthnet (Collaboration EF)	1,000	-	1,000
Ulster Cancer Foundation Substance	1,500	-	1,500
The Ashton Centre	4,000	-	4,000
Community Arts Partnership	3,848	-	3,848
Gingerbread	2,498	-	2,498
VOYPIC	20,000	-	20,000
VOYPIC (Collaboration EF)	15,300	-	15,300
CIPFA	19,452	-	19,452
East Belfast Enterprise	2,461	-	2,461
STEP	19,414	-	19,414
Fermanagh Trust (Follow on)	25,734	25,734	51,468
Inspiring Impact Awards ACF	3,244	-	3,244
SI Camp	-	36,925	36,925
	<hr/>	<hr/>	<hr/>
	246,427	137,263	383,690
	<hr/> <hr/>	<hr/> <hr/>	<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)

15 Analysis of charitable funds

	Fund b/fwd £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Fund c/fwd £
Unrestricted funds	5,461,147	219,858	(1,474,086)	-	(95,123)	4,111,796

16 Reconciliation of net outgoing resources to net cash outflow from operating activities

	2014 £	2013 £
Net outgoing resources before other recognised gains and losses	(1,461,656)	(1,228,182)
Investment management costs	18,980	14,013
(Increase)/decrease in debtors	(2,021)	3,400
Increase in creditors	268,953	71,640
	(1,175,744)	(1,139,129)

17 Analysis of cash flows for headings in the cash flow statement

	2014 £	2013 £
<i>a) Returns on investment</i>		
Interest received	7,002	14,427
<i>b) Capital expenditure and financial investment</i>		
Receipts on disposal of financial investments	753,371	958,300

The Building Change Trust

Notes (continued)

18 Analysis of changes in financing during the year

	At start of year £	Net cash flow £	At end of year £
Cash at bank and in hand	1,078,240	(415,371)	662,869
Bank overdrafts	-	-	-
	<hr/>	<hr/>	<hr/>
	1,078,240	(415,371)	662,869
	<hr/>	<hr/>	<hr/>
Debt	-	-	-
	<hr/>	<hr/>	<hr/>
Net funds	1,078,240	(415,371)	662,869
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

19 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 (2013: £Nil). At 31 December 2014, amounts payable to the Community Arts Partnership totalled £3,848 (2013: £3,848).

J McVey was nominated as trustee director by Volunteer Now. The Trust issued grant funding of £14,970 to Volunteer Now during the current year (2013: £nil) and at 31 December 2014 amounts payable to this organisation totalled £2,994 (2013: £nil).

M. Monaghan, trustee director, is a director of CO3. The Trust issued grant funding of £15,000 during the year (2013: £nil). At 31 December 2014, amounts payable to CO3 totalled £3,000 (2013: £2,800). 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 2014 amounts outstanding and payable to Collaboration NI totalled £nil (2013: £ 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 (2013: £nil) and at 31 December 2014 there were no amounts payable to BITC (2013: £nil).

The Building Change Trust

Notes (continued)

19 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 £223,211 (2013: £nil and £255,700 respectively) in respect of CENI during the year. At 31 December 2014 amounts outstanding and payable to CENI totalled £nil (2013: £ nil) and £348,321 (2013: £205,853) 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 (2013: £ nil) during the year and incurred administrative expenditure of £184,248 (2013: £167,420) under the terms of a service level agreement with CFNI for the provision of administration services. At 31 December 2014 there are no amounts payable to CFNI (2013: £nil).

E Keys was nominated as trustee director by Rural Community Network (RCN). No grants were issued to RCN during the year (2013: £nil) and at 31 December 2014 there were no amounts payable to RCN (2013: £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 £455,338 (2013: £11,851) and £109 (2013: £106,055) respectively at 31 December 2014. 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 13. 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 £546 (2013: £816) were received by the trustee directors during the year in respect of travel and subsistence. Amounts paid to the Protector are disclosed in Note 9.

20 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 2014.