



# REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

for the year ended 31 December 2020

**Plunkett**  
Foundation



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# HIGHLIGHTS DURING 2020

Number of community businesses  
trading by end of 2020



**396 community shops**



**137 community pubs**



**94 land based businesses**  
including community farms and woodlands



**137 other community businesses**  
including bakeries, bookshops and breweries

**2,800**  
FTE positions

**total number of jobs  
supported**

**25,000**

**vulnerable people  
supported by  
community businesses**

**25,000**

**total number of  
volunteers**

**31**

**new community  
businesses opened  
with support from  
Plunkett Foundation**

**659**

**groups contacting  
Plunkett Foundation  
for support in 2020**

**460**

**total members**

**500,000**

**people benefited  
from groups supported  
by Plunkett Foundation**

**113**

**new or returning  
Members**

# CHAIR'S FOREWORD



2020 was a year we will never forget. The changes wrought by COVID-19 were deep and wide. Every person, every business and every community across the UK has been profoundly affected. 2020 was also the year where Plunkett truly rose to the challenges created by COVID-19. We fielded huge levels of enquiries and delivered unprecedented levels of support to the community business sector.

I took over the reins as chair in September after last year's first ever virtual AGM. I found an organisation in excellent shape: with strong finances, delivering superb services to community businesses, well managed and projecting a strong and effective voice for our sector. Great credit must go to my predecessor Margaret Clark for her stewardship of Plunkett over the seven years she was chair, during which Plunkett faced challenges, particularly financial, which have been overcome. I also joined an excellent board of trustees who bring a blend and range of experience and insights. I thank my fellow trustees for the warmth with which they have welcomed me and the sound advice that have provided.

I have worked in the field of local economic development for many years. The importance of communities, the changes they can bring and the great value of the fusion of community and business into community business has long been apparent to me. The difference that community business makes to the quality of life and livelihoods of rural areas is plain to see and well-articulated in our recent Impact report. Never has this role been more important than since the start of the pandemic. Rural community businesses have shown a degree of resilience and innovation that has been a joy to observe. Plunkett captured this role in our Rural Vision launched last July.

2020 saw good progress in the implementation of Plunkett's five year strategy. We launched the Information Hub which has already been active in making compelling inputs into policy making and starting to better capture evidence on the impact of Plunkett's work and, with our partners, the wider impact of rural community businesses. Our Training Hub also really got into gear and has delivered a wide range of very well attended courses via the new world, to us at least, of virtual training courses. 2020 saw unprecedented levels of demand from existing and new community businesses for support and advice as a result of COVID-19. Aided by a number of generous funders, our team stepped up to this challenge. We lobbied successfully for changes to lockdown rules that impacted on our sector, particularly pubs. In November we held our first ever virtual community business fete instead of our normal awards ceremony.



Clearly, the effect of the pandemic has had an enormous impact on government finances. The support available from the furlough scheme to grants for small shops and pubs has been very welcome to offset much of the pain of the lockdowns. Nevertheless, as a result of the delayed comprehensive spending review and launch of the Shared Prosperity Fund, there are uncertainties about future revenue funding to provide support for community businesses. It is Plunkett's job to articulate the great multiplier effect that our support generates in terms of new and existing community businesses that provide vital services, yet do not need ongoing public support. As ever, Plunkett has proven to be adaptable and light on its feet pulling together funding from a range of sources to provide support community businesses.

As the UK emerges from lockdown, the vaccine rollout provides the prospect of some return to normality, but there are likely to be bumps on the road. COVID-19 has led to challenges in existing community businesses, it has also accelerated trends in the pub sector and retailing. The need for community businesses to respond to these drivers of change has never been more important. This great challenge during 2021 and 2022 is one to which Plunkett must rise.

Looking to the future I see great opportunities for the work of Plunkett: to spread the model even further, especially into communities where there is a need to level up; to work with community businesses new and old on building a more environmentally sustainable future including further development of local food systems; and to continue to work with our various partners in ensuring a loud and coherent voice and effective delivery of services to community business. The announcement of the £150 million Community Ownership Fund in the March 2021 Budget opens the door to supporting more communities to set up the businesses they need to provide local services. During 2021 we will start work on refreshing Plunkett's strategy to reflect the new opportunities and challenges that now lie ahead.

As well as the retirement of Margaret Clark in 2020 we also lost Tom Scanlon as a trustee whose experience will be greatly missed. Rachel Marshall was elected as a trustee at the same time as myself and brings an excellent knowledge of the community business sector and grant bodies, particularly from a Wales perspective.

Plunkett remains grateful to its 460 members for their support and we will continue to find ways of engaging and working with our membership. We could not deliver our services without the generous funding we receive from our many funders, partners and supporters. I thank them for their continued support.

Finally, since my arrival at Plunkett I never cease to be anything other than amazed by the quality and dedication of the staff. James Alcock leads by example a great team that works tirelessly for Plunkett, its members and the whole sector. For a team that is so cohesive having to work remotely for most of the year has at times been difficult, but they have stuck to their tasks and have adapted well to the new world of virtual working.

**I look forward to my time as chair of the Plunkett Foundation.**



**Stephen Nicol**

**Chair of the Plunkett Foundation**

# REPORT OF THE TRUSTEES

for the year ended 31 December 2020



The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

## Reference and administrative details

Plunkett Foundation is a registered charity, numbers CC 313743 (England and Wales) and SC 045932 (Scotland). It is a company limited by guarantee, registered number 00213235 (England and Wales).

### Registered office

The Quadrangle  
Banbury Road  
Woodstock  
Oxford  
Oxfordshire  
OX20 1LH

### Trustees

**Helen Aldis**  
Vice Chair

**Sue Boer**

**Helen Boothman**  
was co-opted\* by the board  
on 11<sup>th</sup> December 2019  
(retired September 2020)

**Margaret Clark CBE**  
Chair  
(retired September 2020)

**Chris Coe**  
Treasurer

**Martin Collett**  
Chair of Audit Risk Committee

**Rachel Marshall**  
elected 9<sup>th</sup> September 2020

**Stephen Nicol**  
Chair  
(elected 9<sup>th</sup> September October)

**Julian Ross**  
Vice Chair

**Tom Scanlon**  
(retired September 2020)

*\*Co-opted trustees are appointed to bring additional skills and expertise to the Board but have no formal role or voting rights until proposed and elected by members at an AGM.*

### Auditor

David Cadwallader & Co Limited  
Chartered Certified Accountants &  
Statutory Auditor  
Suite 3 Bignell Park Barns  
Chesterton  
Nr Bicester  
Oxon  
OX26 1TD

### Investment Advisors

JM Finn & Co Ltd  
4 Coleman Street  
London  
EC2R 5TA

### Solicitors

Anthony Collins Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

### Bankers

The Co-Operative Bank  
13 New Rd  
Oxford  
OX1 1LG



## Overview

2020 was a year dominated by the impact of COVID-19 on our membership, our service, and our own organisation. From the outset of the crisis, we redeployed our staff into frontline support, making proactive contact with the 700 rural businesses that we represent, and ensuring that they had access to the advice and support they needed. Demand for our support rose by 53% on the previous year, and allocations of business support grew by 104%. This represents 659 enquiries seeking support, advice and funding, and 308 separate communities who received specific advice funded by our various projects.

We can be very proud that rural community businesses have maintained core services for those who most depend on them. In total, 500,000 people live in communities that benefited from the groups we have supported, 25,000 of which were deemed to be vulnerable or isolated. Even community pubs, forced to close, have retained networks of volunteers and streamlined staff rotas to provide diversified services – including takeaways, pop-up shops and post offices, prescription collection points and deliveries, co-ordination of transport to medical appointments, and checking in on those living alone or with health problems. Incredibly, 12 new community shops and 13 community pubs opened during the year.



Advocacy and representation on behalf of our members has long been a fundamental part of what we do, but 2020 was a year in which we found our voice. We were invited to participate in regular meetings with government departments (DEFRA and MHCLG) to advise on the development on COVID-19 guidance and legislation and how it was affecting our members. Plunkett spoke out on issues relating to community shop supply chains, and the negative impacts of legislation and guidance on community pubs and other community spaces. We worked directly with civil servants, ministers, and the media to raise awareness of the businesses affected and mobilised members to work together to seek change. Beyond government, we worked with funders, helping to shape their emergency relief support, such as the £5M fund established by Power to Change Trust.

We continued to collaborate with partners on policy and advocacy. With Co-operatives UK and Locality, Plunkett sought a fair share for communities from the UK Shared Prosperity Fund. We joined over 400 civil society organisations calling for the establishment of a Community Wealth Fund from dormant assets and supporting the calls that led to the £750M relief for charities from government. Working independently, we made representations direct into government, not least Number 10's Civil Society Review and the Autumn Spending Review. Plunkett made a strong case for the £150m Community Ownership Fund, which has now been announced, and to strengthen Community Rights legislation.

# REPORT OF THE TRUSTEES continued

for the year ended 31 December 2020

Alongside our more reactive work in response to COVID-19, Plunkett kept up with the commitments in our 2018-22 strategy to push forward new areas of work. This included the formal launch of our Information Hub which strengthens our intelligence, policy and research output; the launch of the Training Hub which facilitated a large proportion of our external advice in 2020; and a revised funding approach which will diversify our future income streams to include community and corporate relationships. With COVID-19 creating such a dramatic shift in the external environment in which we operate, Plunkett launched a Vision Statement outlining the opportunities for the community business model and how Plunkett can lead recovery in rural communities.

Our achievements in 2020 were only possible thanks to the dedication and continued support from many funders. Long term supporters Esmée Fairbairn Foundation and Dulverton Trust were critical to enabling our strategy to have UK-wide reach, with Power to Change Trust boosting this in England, and CDS in Scotland. New funders bolstered our work thematically, for example, The Allchurches Trust who announced their support for our work inspiring community business to co-locate within places of worship, and the UK Government (administered via National Lottery Community Fund) and The Co-op Group who assisted our emergency response to communities impacted by COVID-19. We also launched new corporate partnerships with Midcounties Co-operative who invested in the Training Hub, Hopkins Homes who boosted our capacity in the East of England, and Thakeham with whom we worked on plans to integrate community ownership within their developments.



Our activities and those of our members were widely covered in local, national and international media, including radio, print, online and television - with items on BBC Radio 4, Sky News, and The Telegraph – amongst others. This coverage gave an opportunity for Plunkett to raise awareness of the community business model and the support available from Plunkett and partners.

Despite the impact of COVID-19, our 2020 financial performance was broadly in line with expectations. An operational loss of £41,000 had been budgeted on account of this being a year of investment in our long term strategy and to establish new areas of the business which, in due course, are hoped to generate greater levels of alternative income beyond 'projects'. The actual outcome was close to budget at an operational loss of £52,000 – itself a consequence of sound financial management and control. The year ended with a strengthened balance sheet as a result of modest gains on investments.



## Objectives, activities and achievements

**Plunkett's vision is for resilient, thriving and inclusive rural communities.**

**Our mission is to: Inspire and empower rural communities to work together to find solutions to their needs through sustainable community enterprise.**

Plunkett Foundation helps rural communities UK-wide to tackle the issues they face, through promoting and supporting community business. Community businesses are enterprises that are owned and run democratically by members of the community and others, on behalf of the community. They come in many forms, including shops, pubs, woodlands and anything which lends itself to community ownership. In addition to developing and safeguarding valuable assets and services, community businesses address a range of issues including isolation, loneliness, wellbeing, work and training.

Plunkett's role is to advocate and champion the concept of community business to ensure communities throughout the UK are aware of the model and its potential; feel empowered to take action themselves; and operate in a supportive environment. Plunkett provides practical advice, support and training to help communities establish and run successful community businesses with long term survival rates.

Plunkett is proud of its roots; it was founded by the great Irish co-operative pioneer, Sir Horace Plunkett, in 1919. For over a century, it has supported rural communities to thrive through community business and to improve the quality of life for all. Today, we represent the interests of approximately 1,150 rural community businesses – 700 that we have helped to establish and just over 450 in the process of setting up.

## Objectives and Aims

The objectives of the charitable company are:

- The relief of rural poverty and social exclusion, both nationally and internationally, by the provision of appropriate assistance to co-operatives and social enterprises directed to that aim;
- To advance education in matters related to co-operatives and social enterprises and their potential to relieve poverty and social exclusion in rural areas, both nationally and internationally.

## Significant activities and achievements

### Charitable activities

We undertake activity that supports rural communities who are seeking to address local problems through trading activity that is needed, that will be economically viable and sustainable, and that will help alleviate poverty, disadvantage and social exclusion. Thanks to the continued generosity of our supporters, members and our funders, we were able to provide such communities with advice and guidance, giving them the confidence to explore community ownership as a way of addressing the issues their communities were facing.

### Significant activities

Our significant activities include:

#### Operating a comprehensive, UK-wide advice line

We remain unique in providing a free of charge advice line for communities throughout the UK who are seeking guidance on setting up or running community businesses. In 2020, over 650 enquiries were made by phone or email from communities throughout the UK seeking help and advice relating to setting up a new community business or seeking advice and support from existing community businesses. 308 of these enquiries went onto to access further and more specialist advice and support from the many projects we operate or in fewer cases, were signposted to alternative partner organisations.

# REPORT OF THE TRUSTEES continued

for the year ended 31 December 2020

## **Hosting a series of tools and resources**

We create and publish a wide range of practical tools, resources and case studies that help communities set up and run community businesses. These range from start-up guides to themed guidance on matters, such as business planning or marketing. In 2020, we published new materials including a guide for Parish and Town Councils, in collaboration with the National Association of Local Councils and Power to Change Trust which encouraged greater partnership with community businesses and exploring the use of Public Works Loans.

## **Delivering practical business support to community businesses at all stages of their journey**

In 2020, 448 allocations of business support were made benefiting 308 communities consisting of over 500,000 individuals. We advise on a wide range of topics including: community engagement and consultation; communications and marketing, choosing or updating a legal structure; business planning, raising finance (especially through community shares); managing staff and volunteers; growing the organisation's impact; good governance; risk mitigation and management and much more. Support is provided by our specialist staff and a team of over 50 self-employed advisers and mentors who are located throughout the UK. Advice is traditionally provided in person and where possible, at the community business location. In 2020, most of the advice was provided remotely by video conferencing due to COVID-19. We also launched the Training Hub in 2020 which enables multiple communities to come together for group learning and sharing of experiences. A physical training centre was created within Plunkett's central office in Woodstock, including the installation of digital technologies to carry out online course, webinars and regular member meetings.

## **Registering Model Rules for Community Benefit Societies and related governance support**

The majority of community businesses are registered as Community Benefit Societies, regulated by the Financial Conduct Authority. For this reason, Plunkett has developed its own Model Rules for this legal structure, and in 2020, registered 53 new societies with the Financial Conduct Authority and supported with related advice.

## **Health-Checks**

We encourage existing community businesses to take up a 'health-check' to assess their ongoing viability and identify opportunities to strengthen their business both in terms of social impact and financial resilience. Plunkett provided 20 such health-checks throughout 2020. By far the most popular concerns were cash flow, re-financing and managing share withdrawals as well as navigating a global pandemic.

## **Managing and delivering Projects**

Nearly all our practical support is enabled through delivering funded projects. Plunkett is an experienced project manager and works with many well-regarded Trusts and Foundations who value the work we do. We continued to develop new projects and services in 2020 and submitted multiple funding applications to new and existing funders. We were delighted to receive funds from corporate bodies in 2020 in addition to traditional Trusts and Foundations. Many of our projects are developed in partnership with other support organisations who assist and complement us on geography and expertise. Where possible, we seek to deliver projects which provide financial assistance to community businesses, such as loan and grant finance.

## **Research**

In 2020, we had full staff complement for our Information Hub, which aims to collate and make use of the data and intelligence we have on the community business sector. During the year, we published our Better Business reports for both Community Shops and Community Pubs, launched The Ripple Effect impact report, and published the State of Rural Community Business Sector capturing the impact of COVID-19 on the sector.

## **Maintaining membership benefits**

We continue to take great pride in growing the membership culture within the organisation and this has helped to add value to the relationships we have with community businesses, partners and wider stakeholders who share our values. We have continued growing the benefits membership offers in 2020 to strengthen and grow our network as well as building further opportunities for membership engagement.

### **Representing the voice of rural communities and community business at national level**

We know that rural communities often struggle for fair representation at a national level, which is why we seek to ensure their voice is heard through dedicated communications, campaigns and via policy influencing activities. We have achieved the latter through participation in alliances, such as the Rural Coalition and Communities Partnership Board, which actively engage with key government departments and influence positive change by submitting written and oral evidence to relevant committees and consultations. We also apply a national planning approach to our work, to ensure our support activities and services are relevant to rural communities in all parts of the UK and reflective of their needs and challenges.

### **Public benefit**

We regularly review our aims, objectives and activities to ensure we accomplish what we were established to achieve. This report considers the key activities we undertook in 2020 and reviews their success in supporting the people we were established to support. The Trustees have noted the Charity Commission guidance on public benefit and believe that Plunkett Foundation's activities are in line with that guidance.

Plunkett Foundation registered with the Fundraising Regulator in 2019, but did not undertake any fundraising activity during that year.

## **Financial Review**

### **Reserves Policy**

The reserves policy is reviewed annually and was last approved in December 2020. The current policy requires that:

- Reserves be maintained at a level which ensures that the organisation's core activity could continue during a period of unforeseen difficulty;
- A proportion of reserves be maintained in a readily realisable form.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget, risk management and forecast cycle. It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted;
- Planned activity level;
- The organisation's commitments.

The Board has reviewed the major risks likely to threaten the continued delivery of our charitable mission and has modelled the costs on the worst of these scenarios and determined that this should form the basis of the level of reserves. The Board will exercise judgment to determine if funds exceed this level, whether to apply them to current expenditure, hold them to meet future obligations in the short term, or use them in programme-related investment.

The reserve level for 2021 is £1,098,160.

As at December 2020, the Foundation held unrestricted reserves of approximately £1,316,742. At the December Board meeting the Trustees agreed to maintain the excess reserves this year, given a fundamental review of the reserves policy and reserves requirement was due to take place in 2021 and given the continued uncertainty that exists around the impact of COVID-19 on funding and the demand for our services. Additionally, there was much turbulence in the financial markets throughout 2020 with significant losses and gains in our own investment portfolio during the year and this is feared to be continued with COVID-19 ongoing, and the full impact of EU-Exit far from being known. Additionally, our longer term organisational planning has identified significant financial gaps for the period 2021-2023, meaning that the reserves will most likely be required for future operational requirements if alternative funding is not realised.

As indicated above, the Audit and Risk Committee are currently working with the Executive to fully update the approach to the reserves policy by taking stock of the key risks known to the organisation and most likely to result in the need to call upon financial reserves. The aim is to agree a new policy in 2021.



# REPORT OF THE TRUSTEES continued

for the year ended 31 December 2020

## Investment Performance

Subject to the requirements of the Charities Act, the Trustees are authorised by the Memorandum of Association to invest the moneys of Plunkett Foundation not immediately required for its purpose in such a manner as may be thought fit. All funds are managed by J M Finn & Co.

In 2017, following several years of financial losses and a necessary period of operational consolidation, the Board of Trustees took a decision to strengthen its reserves and, recognising market volatility, the Board's approach to investment risk remains cautious. The investment portfolio continues to be highly diversified with a medium risk profile.

Over the last year, the portfolio generated a total return of +6.3%, outperforming the 70% equities / 30% gilts comparator return of -4.4%. Over the same period the FTSE all-Share Index lost -9.8% and the FTSE UK Gilt Index gained +8.3%. A total return of +189.8% has been generated across the last 15 years with an annualised return of +7.4% per annum. At 31st December 2020 the portfolio had a gross income yield 2.5%.

While markets reached a low on the 23rd March 2020, they rebounded strongly due to unprecedented support by governments and central banks across the globe and markets jumped further in the last quarter of 2020 on the announcement that several vaccines were proving to offer very high levels of protection. However, during 2020 companies cut or suspended their dividends and as such we saw the income yield on this portfolio fall from approximately 3.2% to 2.5%. Dividends are expected to recover, but not back to the pre-COVID levels.

The Board approved the Investment Policy in December 2020, having been reviewed by the Audit and Risk Committee in November 2020. It is next scheduled for review in December 2021.

## Our Approach to Pay

We are passionate about what we do, and we believe in recruiting high-calibre people to represent our interests. We also believe in rewarding staff fairly for the jobs that they do, and fostering a positive working environment, and we believe that our salaries and terms and conditions reflect this.

We are a Living Wage-accredited employer, meaning all our staff and contractors are paid at least the Living Wage. People are employed at Plunkett on the basis of the specific skills that they bring to their particular role. For us to run successfully, a wide range of skills and disciplines is required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market where their skills are readily transferable to other organisations. We firmly believe in trying to retain staff for the long term, developing them and benefiting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our staff pay scales are set with this in mind.

In support of this approach to staff retention and the value placed upon Plunkett Foundation's 'staffing asset', a remuneration policy was approved by the Board in December 2019 and remains in place. The pay bands are as follows:

■ Administration	£18,200 - £25,500
■ Project and Finance Officers	£25,000 - £30,600
■ Project and Finance Managers	£28,000 - £38,760
■ Senior Management Team	£38,000 - £48,960
■ Chief Executive	£55,000 - £66,300

## Plans for future periods

A review of our strategy will commence in 2021 with a view to launch a new five strategy in 2022. Until this takes place, the organisation will remain focused on its present 2018-22 organisational strategy which seeks to grow and diversify the rural community business sector and enable it to achieve high impact. The specific objectives over the strategy period are to:

- Grow the rural community business sector: Helping more rural communities to succeed in opening community businesses and ensuring those already trading have the support they need to thrive
- Extend our relevance and reach: Ensuring the community business model and the support available are relevant and accessible to communities in all parts of the UK.

- Increase social impact: Helping prospective and existing community businesses to focus on the social impact they will have on all those living and working in their communities.
- Create an enabling environment: Advocating rural community business throughout the UK and championing their cause to create a supportive policy, funding, and advisory landscape for them to operate within.
- Improve Plunkett's sustainability: Ensuring the long-term survival of our service to ensure it continues to address the needs identified.

This strategy, together with the supporting business plans and Key Performance Indicators, provide us with a clear focus and aim to target our resources and efforts more efficiently and effectively. Key deliverables during 2021 include:

- Running an overarching campaign promoting the benefits of rural community business
- Diversifying income for our community business service via corporate and community partnerships
- Growing our membership including community businesses, individuals and corporates
- Continue raising collective voice and influence via the Information Hub through effective policy and research output
- Reviewing our approach to Diversity, Equity and Inclusion with an aim of creating an even better environment for our Staff, Trustees and Members
- Continuing commitment to good governance and risk management by fully applying the Charity Commission governance code, establishing a Governance and Nominations Committee of the Board and carrying out an independent Board Effectiveness Review.

Underpinning the strategy, is a commitment to work with others, co-operatively and in partnership, and to encourage greater sharing of knowledge and expertise.

## Structure, governance and management

The Audit and Risk Committee have continued to oversee Plunkett's activities in relation to audit, budgeting and finance, policies and procedures and risk management. The refresh of the Foundation's policies has continued in 2020.

### Governing Document

Plunkett Foundation is a charity controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

### Relationships with Related Parties

The charity owns the whole of the issued share capital of Plunkett Services Limited. The subsidiary does not trade but owns 100% of the voting shares of Rural Partnerships Limited. Rural Partnerships Limited does not trade. Both companies will be dissolved in 2021.

The Charity is listed as having 'significant control' of Community Retailing Network, a company of which Plunkett received a transfer of assets in 2011. This company is in the process of being dissolved.

### Recruitment and Appointment of New Trustees

All Trustees are elected at the Annual General Meeting on a one member, one vote basis. Plunkett's Articles of Association allow for new Trustees to be nominated by any existing members within a specified number of days prior to an AGM. The articles also allow the existing Trustees to co-opt new Trustees between AGM's but are not deemed a full Trustee until they are elected at the subsequent AGM.

In line with the above procedure detailed in the Articles of Association, the organisation proactively seeks to attract new Trustees in line with its emerging policy on Diversity, Equity and Inclusion, and in line with identified gaps in skills, knowledge and experience of which is reviewed annually.

# REPORT OF THE TRUSTEES continued

for the year ended 31 December 2020

An open Trustee recruitment process is then used, including making adverts available through job boards, websites and social media platforms. Potential Trustees are interviewed, and those deemed to best meet the identified gaps on the Board, are subsequently nominated by a member for election at the AGM, or co-opted for a period of time up to the subsequent AGM at which they are subject to election by the members.

## Induction and Training of New Trustees

New Trustees undergo orientation with the Chair and Chief Executive to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the strategy and business plan, the Board and decision-making process, the recent financial performance, and the history of the Foundation. During their induction they meet key employees and visit community businesses in membership of the Foundation. New Trustees have an agreed 6-month induction plan, which also identifies any training needs.

## Rotation of Trustees

One third of the Trustees retire from office annually at the Annual General Meeting. Any retiring Trustee is eligible for re-election, provided he or she has agreed in writing to stand for re-election at least fourteen days prior to the meeting at which the election will be held.

As agreed at the AGM in 2016 and implemented from 2017, in line with good practice, Trustees are limited to serving a maximum nine-year term (i.e. 3 terms of 3 years), unless exceptional circumstances occur.

In addition, the Board has agreed the following terms of office should normally apply for key office-holders:

- A maximum of two three-year terms for the Chair, i.e. a total of six years, plus any part year if joining during the year. Once his/her term of office expires, the Chair should not re-stand as a trustee and will therefore leave the Board.
- A three-year term for the Vice Chair/s with a maximum of two cycles, being a total of six years plus any part year if joining during the year. The Vice Chair/s could then re-stand as trustees and remain on the Board, if they so wished, subject to the overall maximum term of office applying
- A three-year term for the Treasurer with a maximum of two cycles being a total of six years plus any part year if joining during the year. The Treasurer could then re-stand as a trustee and remain on the Board if they so wished, subject to the overall maximum term of office applying

## Board Assessment

The Board conducts an annual self-assessment which is an opportunity for Board members to review how they and the Board are operating, to raise any concerns and to comment on any areas for improvement. The current appraisal process has been reviewed and updated in 2020 and was implemented in the first quarter of 2021.

## Charity Governance Code

The Board have agreed, in principle, to apply the revised Charity Governance Code, published in July 2017, and continue to use this as a benchmark for reviewing and improving the Governance practices of the Foundation.

## Organisational Structure

The Trustees direct the affairs of Plunkett Foundation. Management on a day-to-day basis has been delegated to the Chief Executive Officer, James Alcock since 2017, supported by a senior management team. The names of Trustees who served during the year are listed at the beginning of this report.

## Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Audit and Risk Committee and the Treasurer meet the auditors in person to receive their report on the systems of financial controls and the performance of those systems and controls during the year.

The Board commenced a review of Risk Management in 2018 harmonising the approach with the direction of the five year strategy. This approach was reviewed and updated in 2020 in line with guidance set by the Charity Commission. The Senior Management continue to use the risk framework and register, including regular review of risk, in managing the operations of the Foundation. This approach is overseen by the Audit & Risk Committee with regular Highlight Reporting to the Board.



## Trustees' responsibilities in relation to the financial statements

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement as to disclosure of information to the auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

David Cadwallader and Company were appointed as auditors at the 2020 AGM. A retendering process took place in 2021 and a resolution to appoint Critchley's will be put to the members at the forthcoming Annual General Meeting.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption in the Companies Act 2006.

On behalf of the board on:

Date: 26 May 2021



**Stephen Nicol**  
Chair

# INDEPENDENT AUDITOR'S REPORT



to the Members and Trustees of Plunkett Foundation

## Opinion

We have audited the financial statements of Plunkett Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group and Parent Charity Statement of Financial Activities, the Group and Parent Charity Summary Income and expenditure account, the Group and Parent Charity Balance Sheet, the Group and Parent Charity Cash Flow Statement and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Charitable Company's affairs as at 31 December 2020 and of the Group's and Parent Charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities);
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matter prescribed by the companies act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Trustees Annual Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a directors' report and strategic report.



# INDEPENDENT AUDITOR'S REPORT continued

to the Members and Trustees of Plunkett Foundation

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 8 and 9], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to the Charities SORP, Charities and Trustee Investment (Scotland) Act 2005, Charities Act 2011, Companies Act 2006 and data protection laws (including UK General Data Protection Regulation (GDPR)).

We assessed the risks of material misstatement in respect of fraud by

- Making enquiries of management and those charged with Governance
- Making enquiries of service organisations
- Reviewing fraud risk factors within discussion of related party relationships and transactions

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. The Charity's policies and procedures for compliance with those laws and regulations was obtained and discussed with management.

We corroborated our enquiries through review of board meeting and Audit and Risk Meeting minutes. No contradictory evidence was identified.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries throughout the year into our audit approach. Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud including a review of the accounting policies adopted by the Charity particularly in relation to the recognition of income.

We have considered the extent to which the audit was considered capable of detecting irregularities which is inherently difficult when dealing with incoming resources from membership. The Charity's internal control procedures have been designed to mitigate against this risk.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Nicola Jane Cadwallader**

(Senior Statutory Auditor)

For and on behalf of David Cadwallader & Co Limited  
Chartered Certified Accountants & Statutory Auditors  
Suite 3 Bignell Park Barns  
Chesterton, Bicester  
Oxon  
OX26 1TD

Date: 14 June 2021

David Cadwallader & Co Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# MAJOR PROJECTS OF 2020

## Covid response from the Co-op Group

At the outset of the coronavirus pandemic, Co-op provided Plunkett with emergency funding to respond to the severe disruptions of the running of community businesses - from loss of trade for community pubs, implementing new rules and regulations, and the loss of key staff and volunteers through shielding for others. Funding enabled the redeployment of staff to respond to the increase in enquiries from members seeking clarity and guidance on how to trade in unprecedented circumstances, and to proactively contact as many organisations as possible to understand how they were being affected and what support they required. This led to the “State of the Sector” report, which helped Plunkett to plan our ongoing response to the Pandemic.



## The Coronavirus Community Support Fund, distributed by National Lottery Community Fund

This government funding for charities was secured to fulfil a gap in our income that had been caused by mainstream funders who paused or redirected their grant giving during the early days of the pandemic. The funding safeguarded our frontline support service during a period of uncertainty and supported us to run additional online networking and peer support sessions enabling more informal support and shared best practice. Whilst the predominant focus of advice and support in 2020 related to established community businesses adapting to and responding to the pandemic, Plunkett also sought to offer a comprehensive service to the pipeline of new and developing projects, which grew significantly due to the renewed interest in community self-help. The funding from the National Lottery Community Fund was important in this regard, because unlike other “project specific” funding that Plunkett was managing, this funding directly supported us to help all groups at any stage of the development.

## More than a Pub pivots to respond to the pandemic

One of the sectors hit hardest by the coronavirus pandemic has been hospitality and that has certainly been the experience of the community-owned pubs that Plunkett proudly supports. From March 2020 there was a priority focus on supporting these businesses that were facing a near total loss of income, bar whatever they could make through amended, reduced or remote/delivery services. We were fortunate that the funder of More than a Pub, Power to Change enabled us to pivot the programme and offer support to pubs responding to the crisis. Many pubs sought to diversify their services, or work with other local businesses to make sure that their local residents were supported whilst living under lockdown restrictions. Using More than a Pub funding, Plunkett provided 33 small grants to the community pubs in England to enable them to create safer outside service areas, purchase takeaway receptacles or implement online social activities. Furthermore, we were supported to run weekly, now monthly information sessions for community pubs to review and discuss any latest announcements and consider the support available from Government.



## Esmée Fairbairn renew long-term collaboration

Plunkett was grateful to Esmée Fairbairn for renewing our long-standing partnership in 2020, with an award of £500k to be utilised over the next 3 years. This new funding safeguards our core front line support offer for community businesses as well as invests in a number of new initiatives such as the Information Hub which boosts our capacity to collect data and monitor trends relating to the sector, which ultimately, will help Plunkett to undertake greater policy influencing and advocacy on behalf of our members.

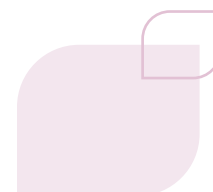
## Funders who have supported Plunkett in 2020

We are grateful to all funders that have supported Plunkett Foundation in 2020, enabling us to work with community business projects across the UK. As well as those partners referenced above we would like to offer our thanks for the support of Allchurches Trust, Co-operative Development Scotland, Co-operatives UK, The Dulverton Trust, Hopkins Homes, Locality, Midcounties Co-operative, Post Office Ltd, Prince's Countryside Fund and Thakeham.





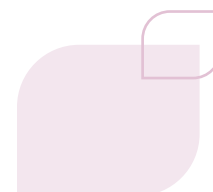
# GROUP AND PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES



(Incorporating a Group Income and Expenditure Account)  
for the year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>Income &amp; Endowments from:</b>					
Donations and Legacies	3	63,055	–	63,055	56,717
Investment income	4	44,843	–	44,843	49,436
Charitable activities	5	506,930	456,130	963,060	1,060,085
<b>Total income</b>		<b>614,828</b>	<b>456,130</b>	<b>1,070,958</b>	<b>1,166,238</b>
<b>Expenditure on:</b>					
Charitable activities	6	624,941	456,130	1,081,071	1,101,539
Other	7	8,750	–	8,750	8,450
<b>Total expenditure</b>		<b>633,691</b>	<b>456,130</b>	<b>1,089,821</b>	<b>1,109,989</b>
<b>Net income/(expenditure) before gains/ (losses) on investments</b>					
		(18,863)	–	(18,863)	56,249
Net gains/(losses) on investments		57,240	–	57,240	232,885
<b>Net income/(expenditure)</b>		<b>38,377</b>	<b>–</b>	<b>38,377</b>	<b>289,134</b>
<b>Transfers between funds</b>					
		–	–	–	–
<b>Net income/(expenditure) for the year</b>		<b>38,377</b>	<b>–</b>	<b>38,377</b>	<b>289,134</b>
<b>Other recognised gains/(losses)</b>					
		–	–	–	–
<b>Net movements in funds</b>		<b>38,377</b>	<b>–</b>	<b>38,377</b>	<b>289,134</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>1,278,239</b>	<b>4,921</b>	<b>1,283,160</b>	<b>994,026</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,316,616</b>	<b>4,921</b>	<b>1,321,537</b>	<b>1,283,160</b>

# GROUP AND PARENT CHARITY BALANCE SHEET



at 31 December 2020

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>FIXED ASSETS</b>					
Intangible assets		-	-	-	-
Tangible assets	12	46,832	14,322	46,832	14,322
Investments	13	1,651,694	1,600,345	1,651,697	1,600,348
		<b>1,698,526</b>	1,614,667	<b>1,698,529</b>	1,614,670
<b>CURRENT ASSETS</b>					
Debtors	14	58,778	76,252	58,651	76,125
Cash at bank		125,027	-	124,827	-
		<b>183,805</b>	76,252	<b>183,478</b>	76,125
<b>CREDITORS</b>					
Amounts falling due within one year	15	(560,794)	(407,759)	(560,344)	(407,509)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(376,989)</b>	(331,507)	<b>(376,866)</b>	(331,384)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,321,537</b>	1,283,160	<b>1,321,663</b>	1,283,286
<b>TOTAL NET ASSETS</b>		<b>1,321,537</b>	1,283,160	<b>1,321,663</b>	1,283,286
<b>FUNDS</b>	18				
Unrestricted funds		1,316,616	1,278,239	1,316,742	1,278,365
Restricted funds		4,921	4,921	4,921	4,921
<b>TOTAL CHARITY FUNDS</b>		<b>1,321,537</b>	1,283,160	<b>1,321,663</b>	1,283,286

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the Board of Trustees on 26 May 2021 and were signed on its behalf by:

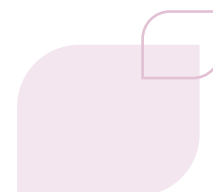
**Stephen Nicol**

Chair

Company registration no. 00213235

# STATEMENT OF CASH FLOWS

at 31 December 2020



	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	21	202,732	(177,635)	202,732	(177,635)
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		44,843	49,436	44,843	49,436
Proceeds from the sale of property, plant and equipment		617	–	617	–
Purchase of property, plant and equipment		(40,660)	(12,667)	(40,660)	(12,667)
Proceeds from sale of investments		230,662	271,189	230,662	271,189
Purchase of investments		(240,814)	(212,675)	(240,814)	(212,675)
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,644)</b>	<b>(2,610)</b>	<b>(1,644)</b>	<b>(2,610)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>195,736</b>	<b>(84,962)</b>	<b>195,736</b>	<b>(84,962)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>(48,850)</b>	<b>36,112</b>	<b>(49,050)</b>	<b>35,912</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	22	<b>146,886</b>	<b>(48,850)</b>	<b>146,686</b>	<b>(49,050)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 1. Accounting Policies

### Accounting convention

The consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Plunkett Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### Going concern

The accounts have been prepared on a going concern basis, as in the opinion of the Trustees, the charity will continue in operation for the foreseeable future.

### Basis of Consolidation

The consolidated accounts incorporate the results of the Plunkett Foundation and its subsidiaries undertaking on a line by line basis. The consolidated entity is referred to as 'the Group'. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by the Companies Act 2006.

### Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumption and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

- Grant income received in advance is deferred in order to recognise when the associated project costs have been incurred and the work has been done and in accordance with the terms agreed with the grant provider.

### Income

All income is included on the Statement of Financial Activities when the charity has entitlement to the funds, any performance attached to the item of income has been met, it is probable that the income will be received and the amount can be measured reliably.

Membership income is recognised upon inception or renewal.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

### Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources or staff time spent, as applicable. Where input VAT is irrecoverable the costs are shown inclusive of VAT.

### Grants Payable

Grants payable are accounted for on an accruals basis.



# NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2020

## Support costs

Support costs are those functions that assist the work of the charity, including personnel costs. These costs are allocated to specific charitable activities based on time spent.

## Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

## Intangible/ Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 20% on cost or valuation

Fixtures and fittings - 10% on cost

Computer equipment - 33% on cost

The costs of minor additions are not capitalised.

## Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

## Taxation

The charity is exempt from corporation tax on its charitable activities.

## Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

## Pensions

From 1 October 2008 the employees of the charity were entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 10. There were no outstanding contributions at the year end.

## Fixed Asset Investments

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

## Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

## Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation or constructive obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## Financial Instruments

The Charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## 2. Central support costs

	2020 £	2019 £
Staff costs (including project staff)	523,086	474,016
Central and office costs	79,307	91,478
Depreciation	7,534	1,624
Audit costs	8,750	8,450
Other administrative costs	37,510	41,993
Trustee expenses	2,031	6,219
Financial and professional	24,365	35,130
	<b>682,583</b>	<b>658,910</b>

The central support costs of the charity consisted of seven elements as noted above. These costs are allocated across the work of the charity based on time spent.

## 3. Donations

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Membership	14,684	–	<b>14,684</b>	16,015	–	16,015
Members enterprise affiliation fees	48,371	–	<b>48,371</b>	40,702	–	40,702
	<b>63,055</b>	–	<b>63,055</b>	<b>56,717</b>	–	<b>56,717</b>

## 4. Investment income

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Interest	207	–	<b>207</b>	239	–	239
Dividends from Invested funds	44,636	–	<b>44,636</b>	49,197	–	49,197
	<b>44,843</b>	–	<b>44,843</b>	<b>49,436</b>	–	<b>49,436</b>

# NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2020

## 5. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Income from operations	485,930	17,600	<b>503,530</b>	388,208	–	<b>388,208</b>
Prince's Countryside Fund	–	10,000	<b>10,000</b>	–	34,170	<b>34,170</b>
Power to Change Trust	–	134,806	<b>134,806</b>	–	153,703	<b>153,703</b>
National Lottery Community Fund: Making Local Woods Work	–	–	<b>–</b>	–	151,782	<b>151,782</b>
MHCLG/PtC – More Than A Pub	–	293,724	<b>293,724</b>	–	311,430	<b>311,430</b>
Sponsorship and events	21,000	–	<b>21,000</b>	20,792	–	<b>20,792</b>
	<b>506,930</b>	<b>456,130</b>	<b>963,060</b>	<b>409,000</b>	<b>651,085</b>	<b>1,060,085</b>

At the year end the Charity held £550,000 relating to outstanding bursary grants payable from income of £550,000 received from Power to Change. The income and expenditure is not shown in the Charity's Statement of Financial Activities.

## 6. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
Operational expenditure	624,941	341,324	<b>966,265</b>	721,928	322,561	<b>1,044,489</b>
Bursary Grants paid	–	114,806	<b>114,806</b>	–	57,050	<b>57,050</b>
	<b>624,941</b>	<b>456,130</b>	<b>1,081,071</b>	<b>721,928</b>	<b>379,611</b>	<b>1,101,539</b>

## 7. Other costs

	2020 Total Funds £	2019 Total Funds £
<b>Audit Fees</b>	<b>8,750</b>	<b>8,450</b>

All expenditure is unrestricted.

## 8. Net incoming/(outgoing) resources

Net resources are stated after charging/(crediting):

	2020 £	2019 £
Depreciation – owned assets	7,846	1,624
Loss/(Profit) on disposal of fixed assets	(314)	–
Auditors' remuneration - Audit	8,750	8,450

## 9. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

### Trustees' Expenses

Trustees receive travel expenses for meeting attendance during the year. A total of £2,031 was so paid this year (2019 - £6,219).

## 10. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	463,367	423,418
Social security costs	39,943	31,781
Pension costs	19,776	18,817
	<b>523,086</b>	<b>474,016</b>

The average monthly number of employees during the year was as follows:

	2020	2019
Professional	12	11
Administrative	2	2
	<b>14</b>	<b>13</b>

There were no employees who received employee benefits (excluding employer pension costs) of more than £60,000

The number of higher paid employees was:

Taxable emoluments band:	2020 Number	2019 Number
£35,001 - £40,000	–	1
£40,001 - £45,000	2	–
£45,001 - £50,000	–	1
£50,001 - £55,000	–	1
£55,001 - £60,000	1	–



# NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2020

## 11. Intangible fixed assets

	Goodwill £
<b>COST</b>	
At 1 January 2020 & 31 December 2020	123
<b>AMORTISATION</b>	
At 1 January 2020 & At 31 December 2020	123
<b>NET BOOK VALUE</b>	
At 31 December 2020	–
At 31 December 2019	–

## 12. Tangible fixed assets – Group and Charity

	Office Equipment £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2020	2,040	25,586	46,609	74,235
Additions	–	39,611	1,049	40,660
Disposals	–	(9,270)	(17,637)	(26,907)
<b>At 31 December 2020</b>	<b>2,040</b>	<b>55,927</b>	<b>30,021</b>	<b>87,988</b>
<b>DEPRECIATION</b>				
At 1 January 2020	2,040	22,772	35,101	59,913
Charge for year	–	3,321	4,525	7,846
On Disposals	–	(8,966)	(17,637)	(26,603)
<b>At 31 December 2020</b>	<b>2,040</b>	<b>17,127</b>	<b>21,989</b>	<b>41,156</b>
<b>NET BOOK VALUE</b>				
At 31 December 2020	–	38,800	8,032	46,832
At 31 December 2019	–	2,814	11,508	14,322

## 13. Fixed Asset investments – Group

	Listed investments £	Unlisted investments £	Cash and settlements pending £	Totals £
<b>FAIR VALUE</b>				
At 1 January 2020	1,561,945	497	37,903	<b>1,600,345</b>
Additions to investment at cost	240,814	–	(240,814)	–
Disposals at carrying value	(277,703)	–	277,703	–
Net gain/(loss) on revaluation	104,282	–	(47,042)	<b>57,240</b>
Transfer from/(to) general funds	–	–	(5,891)	<b>(5,891)</b>
At 31 December 2020	<b>1,629,338</b>	<b>497</b>	<b>21,859</b>	<b>1,651,694</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2020</b>	<b>1,629,338</b>	<b>497</b>	<b>21,859</b>	<b>1,651,694</b>
At 31 December 2019	1,561,945	497	37,903	<b>1,600,345</b>

All quoted investments are listed UK securities. The historic cost of investments is £1,083,288 (2019: £1,073,797).

### Fixed Asset investments – Charity

The Fixed Asset investments of the charity total £1,651,697 (2019: £1,600,348), being the group investments as detailed above plus a £3 shareholding (shown at cost) in its subsidiary, Plunkett Services Limited.

#### Subsidiary

##### Plunkett Services Limited

Nature of business: Dormant

	%			
Class of share:	holding			
Ordinary	100			
			<b>2020</b>	2019
			<b>£</b>	<b>£</b>
Aggregate capital and reserves			<b>3</b>	<b>3</b>

The charity owns the whole of the issued share capital of Plunkett Services Limited, a company registered in England and Wales under company number 02108639. The subsidiary, Plunkett Services Limited does not trade, but owns 100% of the voting shares of Rural Partnerships Limited. Rural Partnerships Limited does not trade and is registered in England and Wales under company number 04208392.

The Charity also holds 100% of the voting rights of Community Retailing Network, a company limited by guarantee incorporated in Scotland under number SC272741. The Company does not trade. The net liabilities as at 31 December 2020 are £(483). The assets and liabilities of the Company have not been consolidated within these

# NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2020

accounts on the basis that they are not material. All other assets and liabilities of the Company have previously been transferred to the Plunkett Foundation, who continues to operate the activities of the company in Scotland as part of its core operations.

## 14. Debtors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	14,182	48,295	14,182	48,295
Other debtors	16,869	20,073	16,742	19,946
Work in Progress	27,727	7,884	27,727	7,884
	<b>58,778</b>	<b>76,252</b>	<b>58,651</b>	<b>76,125</b>

## 15. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank Overdraft	–	86,753	–	86,953
Trade creditors	36,158	88,124	35,708	87,674
Taxation and social security	25,019	33,352	25,019	33,352
Accruals & deferred income	454,012	183,230	454,012	183,230
Other creditors	45,605	16,300	45,605	16,300
	<b>560,794</b>	<b>407,759</b>	<b>560,344</b>	<b>407,509</b>

The Charity acts as an intermediary agent for Power to Change, making payments of grants to selected local enterprises. At the year end funds held in respect of these bursary grants was £250,000 (2019: £550,000). The balance is excluded from the above figures and the bank balance held at the year end.

Other creditors includes £45,605 (2019: £16,300 in respect of grant monies held in lieu of distribution to other bodies.

Accruals and deferred income includes £355,947 (2019: £81,343) of income which relates to projects

	£
<b>At 1 January 2020</b>	81,343
Released in 2020	(81,343)
Income deferred in 2020	360,922
<b>At 31 December 2020</b>	<b>360,922</b>

The bank overdraft facility of £150,000 is secured by a fixed and floating charge over the assets of the charity.

## 16. Commitments under operating leases

At 31 December 2020 the charity has annual commitments under non-cancellable operating leases as set out below:-

	Land & Buildings 2020 £	Land & Buildings 2019 £
<b>Operating leases which expire</b>		
Within 1 year	43,778	-
Within 2-5 years	8,403	43,778
After more than 5 years	-	-
	<b>52,181</b>	<b>43,778</b>

## 17. Movement in funds – Group

	At 01.01.20 £	Net movement in funds (before tfers) £	Transfer between funds £	At 31.12.20 £
<b>Unrestricted funds</b>				
Revenue	1,278,239	38,377	-	<b>1,316,616</b>
	<b>1,278,239</b>	<b>38,377</b>	<b>-</b>	<b>1,316,616</b>
<b>Restricted funds</b>				
National Lottery Community Fund Grant	4,921	-	-	<b>4,921</b>
Prince's Countryside Fund	-	-	-	-
Power to Change Trust	-	-	-	-
National Lottery Community Fund – Making Local Woods Work	-	-	-	-
MHCLG/PtC – More Than A Pub	-	-	-	-
Hopkins Home	-	-	-	-
The Allchurches Trust	-	-	-	-
	<b>4,921</b>	<b>-</b>	<b>-</b>	<b>4,921</b>
<b>TOTAL FUNDS</b>	<b>1,283,160</b>	<b>38,377</b>	<b>-</b>	<b>1,321,537</b>



# NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2020

## 17. Movement in funds

Net movement in funds, included in the above are as follows:

	Income £	Expenditure £	Transfer between funds £	Gains and Losses £	Movement in funds £
<b>Unrestricted funds</b>					
Revenue	614,828	(633,691)	–	57,240	38,377
	614,828	(633,691)	–	57,240	38,377
<b>Restricted funds</b>					
National Lottery Community Fund Grant	–	–	–	–	–
Prince's Countryside Fund	10,000	(10,000)	–	–	–
Power to Change Trust	134,806	(134,806)	–	–	–
MHCLG/PtC – More Than A Pub	293,724	(293,724)	–	–	–
Hopkins Home	16,000	(16,000)	–	–	–
The Allchurches Trust	1,600	(1,600)	–	–	–
	456,130	(456,130)	–	–	–
<b>TOTAL FUNDS MOVEMENT</b>	1,070,958	(1,089,821)	–	57,240	38,377

The Prince's Countryside Fund represents monies received from The Prince's Countryside Fund in relation to the direct delivery of support to rural community businesses in the form of business advice and training.

The Power to Change Fund represents monies received from Power to Change in relation to four separate areas of work: developing a pubs membership network; addressing health and wellbeing challenges in rural communities; enabling peer-to-peer networking amongst community businesses; the production of the Better Business Reports and the More than a Pub Bursary Grants.

The More than a Pub Fund represents monies received jointly from Ministry for Housing, Communities and Local Government and Power to Change to help support community groups looking to take ownership of their local pub.

The Hopkins Plunkett Communities Scheme represents monies that were provided by Hopkins Homes to support Community Businesses in the East of England with enhanced business support to adapt to new Covid-19 trading rules and regulations.

The Allchurches Trust funding has facilitated a two year project that is seeing the creation of bespoke business advice, supported by a small feasibility grants programme, to help more community businesses set up in Christian Places of Worship.

## 18. Analysis of net assets between funds – Group

	Intangible/ Tangible Fixed Assets £	Investments £	Net Current £	Total £
<b>Unrestricted funds</b>				
Revenue	46,832	1,651,694	(381,910)	<b>1,316,616</b>
	<b>46,832</b>	<b>1,651,694</b>	<b>(381,910)</b>	<b>1,316,616</b>
<b>Restricted funds</b>				
National Lottery Community Fund Grant	–	–	4,921	<b>4,921</b>
Prince's Countryside Fund	–	–	–	–
Power to Change Trust	–	–	–	–
MHCLG/PtC – More Than A Pub	–	–	–	–
	–	–	4,921	<b>4,921</b>
<b>TOTAL FUNDS</b>	<b>46,832</b>	<b>1,651,694</b>	<b>(376,989)</b>	<b>1,321,537</b>

## 19. Related party transactions

The charity paid £1,942 to 3 Trustees, in respect of consultancy services (2019: £8,749). The transaction was at market value.

Expenditure for the year includes £nil payable to a company which is owned and controlled by a member of the Charity's key management personnel (2019: £2,250). The transaction was at arms length and at open market value.

There are no other related party transactions that require disclosure under Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

## 20. Ultimate controlling party

The Charity is a Company Limited by Guarantee and has no share capital. There is therefore no ultimate controlling party.

## NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2020

### 21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>38,377</b>	289,134	<b>38,377</b>	289,134
Adjustments for:				
Depreciation charges	<b>7,846</b>	1,624	<b>7,846</b>	1,624
(Gains)/losses on investments	<b>(57,240)</b>	(232,885)	<b>(57,240)</b>	(232,885)
Dividends, interest and rents from investments	<b>(44,843)</b>	(49,436)	<b>(44,843)</b>	(49,436)
Interest paid	<b>1,644</b>	2,610	<b>1,644</b>	2,610
Loss/(profit) on the sale of fixed assets	<b>(314)</b>	–	<b>(314)</b>	–
(Increase)/decrease in debtors	<b>17,474</b>	2,680	<b>17,474</b>	2,680
Increase/(decrease) in creditors	<b>239,788</b>	(191,362)	<b>239,788</b>	(191,362)
	<b>202,732</b>	(177,635)	<b>202,732</b>	(177,635)

### 22. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash in Hand	<b>125,027</b>	(86,753)	<b>124,827</b>	(86,953)
Notice deposits	<b>21,859</b>	37,903	<b>21,859</b>	37,903
	<b>146,886</b>	(48,850)	<b>146,686</b>	(49,050)

## 23. Analysis of changes in net debt group

	At 1 January 2020 £	Cash-flows £	At 31 December 2020 £
Cash in Hand	(86,753)	<b>211,780</b>	125,027
Notice deposits	37,903	<b>(16,044)</b>	21,859
	<b>(48,850)</b>	<b>195,736</b>	146,886

### Analysis of changes in net debt charity

	At 1 January 2020 £	Cash-flows £	At 31 December 2020 £
Cash in Hand	(86,953)	<b>211,780</b>	124,827
Notice deposits	37,903	<b>(16,044)</b>	21,859
	<b>(49,050)</b>	<b>195,736</b>	146,686



# TRUSTEES, MEMBERS, FELLOWS AND STAFF

## Trustees serving during 2020

The Trustees are elected by the Plunkett Foundation's members. The following Trustees served during 2020:

**Helen Aldis**  
Vice Chair

**Sue Boer**

**Helen Boothman**  
was co-opted\* by the board on 11 December 2019 \*\*

**Margaret Clark CBE**  
Chair \*\*

**Chris Coe**  
Treasurer \*\*\*

**Martin Collett**  
Chair of Audit Risk Committee \*\*\*

**Rachel Marshall**  
(elected 9th September 2020)

**Stephen Nicol**  
Chair  
(elected 9th September 2020)

**Julian Ross**  
Vice Chair \*\*\*

**Tom Scanlon\*\***

\* co-opted trustees are appointed to bring additional skills and expertise to the Board but have no formal role or voting rights until proposed and elected by members at an AGM.

\*\* stepped down during the year

\*\*\* Audit and Risk Committee

## Members

At the end of 2020 Plunkett Foundation had 460 members, 98 of which were individuals, 50 were organisations and 277 were community business members. 5 of these were based outside of the UK.

## Fellows

**David Button**

**Quintin Fox**

**Charlotte Hollins**

**Richard Moreton**

**Prof. Dr Hans-H Muenkner**

**Edgar Parnell**

**The Lord Plumb, DL**

**Dr Rita Rhodes**

**Kate Targett**

**John Tyrrell**

## Staff

The following were employed during 2020:

**James Alcock**  
Chief Executive

**Hannah Barrett**  
Senior Project Manager

**Diane Cameron**  
Project Support Officer

**Chris Cowcher**  
Head of Community Business

**Jenna Crook\***  
Finance Assistant

**Maurice Edgington**  
Senior Finance Officer

**Georgina Edwards**  
Information Hub Manager

**Harriet English**  
Head of Engagement

**Aimee Evans**  
Project Manager

**Amanda Gibson**  
Finance and Operations Officer

**Joe Hesketh**  
Data Officer

**Lucia Jesus**  
Community Business Officer

**Olivia Lanham**  
Engagement Officer

**Alison Macklin**  
Community Business Manager/  
Training Hub Co-ordinator

**Louise Turner\***  
Community Business Officer

**Gemma Sills**  
Engagement Manager

**Duncan Smith\***  
Communications Manager

**Victoria Smith**  
Compliance Manager

**Claire Spendley**  
Membership Manager

**Phillip Vincent\***  
Project Manager

\* left during the year



## About Plunkett Foundation

The Plunkett Foundation helps rural communities UK-wide to tackle the issues they face by promoting and supporting community business. Community businesses are enterprises that are owned and run democratically by members of the community and others, on behalf of the community. They come in many forms - including shops, pubs, woodlands and anything which lends itself to community ownership. In addition to developing and safeguarding valuable assets and services, community businesses address a range of issues including isolation, loneliness, wellbeing, work and training. For over 100 years we have provided practical support to help communities establish and run these businesses successfully.

**If you share our vision for a vibrant rural economy with rural community businesses at its heart, why not join Plunkett as a member?**

“Community businesses have truly risen to the challenges in 2020, and have become lifelines for so many in the communities in which they operate. Diversifying their services to respond to local needs and adapting operations to trade safely and without key volunteers **and staff owing to shielding advice**, community businesses have shown themselves to be truly innovative, inclusive and resilient.

**We are proud of our staff team and network of advisers, who have also continued to provide a comprehensive advice and support service throughout this time. Looking to the future** Plunkett, in collaboration with partners and supporters, will continue to develop our own services to ensure the ongoing development and growth of the community business sector throughout the UK.”

**James Alcock**

Chief Executive, Plunkett Foundation,  
July 2021



**Plunkett  
Foundation**

[www.plunkett.co.uk](http://www.plunkett.co.uk)

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**0845 557 1469**

Plunkett Foundation is a registered charity, numbers CC 313743 (England and Wales) and SC 045932 (Scotland).  
It is a company limited by guarantee, registered number 00213235 (England and Wales).