



power to
change

business in
community
hands



NATIONAL
LOTTERY FUNDED

Annual report 2017

Three years of supporting community business



The power of community business



Community businesses are



locally rooted



community-led



making life better for local people



trading for community benefit

400+



Since 2015, we've supported over 400 community businesses. There are nearly 7,000 in total in England

100%



Community pubs have a 100% survival rate while other pubs close every week

Source: Better business reports (2017) Plunkett

£1.2bn



Community businesses in England have a combined income of £1.2bn and assets totalling £0.7bn

Source: CFE Research (2017)

32%



of community businesses funded by Power to Change are in the 10% most deprived areas of the country

Source: Power to Change grantee survey (2017) and Indices of Multiple Deprivation (2015) MHCLG

Community businesses in England have

35,500



paid staff

Source: CFE Research (2017)

119,500



volunteers

Source: CFE Research (2017)

45%



of community businesses opened up new lines of trading activity or diversified their services in 2017 and planned to do the same in 2018

Source: CFE Research (2017)



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*Power to Change Trustee Ltd. is the sole corporate Trustee of Power to Change Trust and it is controlled by its Trustee Directors.

Message from the Chair and Chief Executive: 2017 in review



When Power to Change was established, our ambition was to not only support individual community businesses to become more financially viable and to create better places, but also to actively shape a new market and to grow a movement.

We wanted to put community business on the map. After three years of hard work by our team, our many partners and most importantly, by community businesses up and down the country, we are proud of the progress that we have been able to make on both fronts.

More than a grant maker: growing a movement and making the case

Our commitment to growing community business across England stems from a belief that community businesses can help solve some of the pressing issues we face as a country. Whether it's local economic decline, the loss of vital public services, or communities feeling left behind, community businesses have a regenerative role to play in contemporary society.

The community-owned Gardeners Rest Pub in Neepsend, Sheffield provides a good illustration. Faced with the decline of traditional industries and loss of services, the community came together to purchase their pub with the help of a grant and loan package of £100,000 from our More than a Pub programme. The pub now provides a focal point for community cohesion as well as employment and training opportunities for people with learning disabilities and mental health problems.

Alongside individual success stories, we're encouraged to see community business gaining wider public recognition. In 2017, 11,000 people took part in our annual Community

Business Weekend and their networks are growing, on and offline. Our work with Locality on the Localism Commission looking at the progress of devolution since 2011 and with Pro Bono Economics on making an economic case for community asset transfer have both had a notable impact among policymakers and the media.

Promoting a collaborative approach to transforming local communities has been another key factor for growth in the community business sector. In 2017, we announced our focus on 15 places across England. Alongside our 'Empowering Places' programme, which focusses on a grass roots approach at ward level in seven disadvantaged towns, we are working with strategic partners in Liverpool, the West of England City Regions and Suffolk. We also established a partnership with M&S as part of their Plan A Corporate Responsibility strategy which will see them provide support to community businesses in seven places by the end of 2019.



Whether it's local economic decline, the loss of vital public services, or communities feeling left behind, community businesses have a regenerative role to play in contemporary society."

Innovation in funding

To realise our ambition of growing community business across England, we have used our funding in innovative ways to provide community businesses with the most appropriate finance for their needs. An example is our work with the School for Social Entrepreneurs to evaluate the concept of 'matched trading' which applies behavioural incentives to grant making to make it more supportive of trading businesses.

We have increased our commitment to community shares by pledging £3 million over the next five years. This finance model can provide community businesses with the long-term, patient finance they often depend on to develop and thrive while also growing vital community ownership.

In the community energy sector, we have committed equity of £10 million to a £40 million joint venture with Big Society Capital to enable communities to take ownership of local solar farms, maximising the social, environmental and financial impact they generate for a local area, with its first acquisition made at the end of 2017.

Demonstrating impact and learning

Overall in 2017 we invested £23.1 million across a diverse range of activities, up from £16.4 million in 2016. We helped more than 279 organisations in England, and 52% of those are in the 30% most deprived areas of the country.

We recognise that delivering impact is an ongoing process of learning and refining what we do. In 2017 we developed various hypotheses about how community businesses create positive change. We will test and refine these through detailed evaluations of our individual programmes. Using national data such as the Community Life Survey will allow us to evaluate how community business is influencing things like wellbeing, social cohesion and community trust and whether areas with community businesses fare better than areas without them.

Moving forward

Our achievements in 2017 reflect the passion and dedication of the Power to Change team, our partners and community businesses across the country and we are grateful to the commitment and energy they have all shown over the past year. We look forward to an equally productive 2018 and seeing the further impact of our work to transform and empower places in England through community business.



Stephen Howard
Chair



Vidhya Alakeson
Chief Executive

Our vision



Our vision is to create better places through community business via three long term objectives:

Growing the sector

To grow the sector such that there are a greater number of sustainable community businesses delivering significant social, economic and environmental impact.

Transforming places

To demonstrate that community businesses can transform places through positive economic, social and environmental impact.

Making the case

To inform and influence citizens, government, business and other funders that community business can be a powerful force for change, such that they increase their investment in, and commitment to, the community business sector.

Our values



Squash Nutrition, Liverpool



We are open

We are transparent about our decision-making. We share knowledge and learning, including what has not worked



We are collaborative

We work across sectors and respect others' knowledge and experience. We encourage others who share our vision in order to bring about change



We are bold

We experiment, take risks and test new ideas. We move quickly to take advantage of opportunities



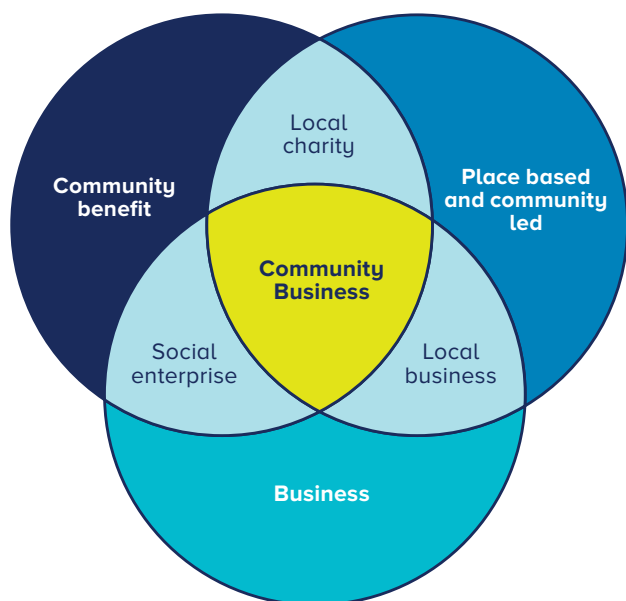
We are informed

We learn from research and from our delivery. We're responsive and adapt to what we've learned

We believe that embedding these values and behaviours in all aspects of our operations, both internally and externally, will help us to successfully achieve our vision

What is a community business?

Community business in comparison to other organisational forms



Three key features of a community business

1. Community benefit

Have a positive impact on the community in which they are based.

2. Place based and community-led

Rooted in a particular geographical location and community-led.

3. Business

Entities which derive the majority of their income from their trading activities.

To apply for Power to Change grant funding, community businesses have to demonstrate charitable purpose.



Squash Nutrition, Liverpool

"I helped 59 community business leaders to develop their practice."

Fergus Arkley

Development Manager,
Power to Change



Our three year journey





How we delivered against our priorities in 2017

In our 2016 annual report we laid out the key things we would do in support of our three long-term objectives.

Growing the sector

We aimed to take a more targeted approach and in 2017 31% of our programme grants were awarded through targeted programmes.

Start-ups

Bright Ideas

£914,953



of grants were made to 65 early stage projects

Trade Up

£300,000



of grants were made to 30 community businesses with a trading history

Mature businesses

Community Business Fund

£8,144,505



of grants were awarded to 51 mature community businesses

Building capacity and infrastructure

Leadership development

41



leaders graduated from our two regional cohorts

Sector programmes based on assets

Pubs

£612,235



of grants to 55 pubs for community ownership. We also funded loans of £570,000 to these pubs from our partners Key Fund and Cooperative and Community Finance

Health and Social Care

Conducted exploratory research to inform design of 2018 approach and built networks and connections within the sector



Community Shares Booster Programme

£650,166



of grants and match funding were delivered through 13 quality community share offers

Peer network

£464,983



was invested in 13 community business networks playing an active role in our Community of Practice

Housing

£664,205



of feasibility and pre-development grants were made predominantly in Bristol and Leeds

Energy

£10,000,000



was committed to a joint venture, Community Owned Renewable Energy LLP (CORE) with Big Society Capital, which acquired its first solar asset for £5.8m

Blended Funding Programme

£748,350



of grants to 12 community businesses matched loan funding from our partners Social and Sustainable Capital and Key Fund

Transforming places

We aimed to focus on some specific areas in 2017, as well as funding across the whole of England through our open programmes.



Empowering Places

We started working through catalyst organisations and gave grants of £755,061 in Bradford, Grimsby, Hartlepool, Leicester, Luton, Plymouth and Wigan



Cities & Counties

We started collaborating with local authorities and high level bodies across Liverpool, the West of England City Regions and Suffolk



M&S

We struck a partnership with M&S to effect major change in neighbourhoods via community business in Birmingham, Bradford, Liverpool, Middlesbrough, Newham, Norwich and Rochdale



North Smethwick Community Development Trust, Smethwick

Making the case

We aimed to do this by focusing on four specific areas in 2017.

Core policy themes



Local treasures: Helping communities to reclaim local assets

The Sunday Mirror published an 8 page supplement on the benefits of community asset ownership.

We published a national map of assets owned by local authorities.

We published 'The Economics of Community Asset Transfer (CAT)' with Pro Bono Economics and produced a CAT guide for councillors with Locality.



More than book keeping: Helping to keep local libraries open

We held a roundtable with the New Local Government Network at the Local Government Association annual conference.

Our research was presented at the Society of Chief Librarians annual seminar.

We held a fringe event with the Libraries Minister at the Conservative party conference.

Building a movement



Community Business Weekend

Nearly 200 community businesses opened their doors to the public in October



Community Business Panel

Quarterly meetings were held in Hebden Bridge, Liverpool, London and Sheffield



'In Our Hands: A History of Community Business'

We commissioned and launched this book in November at the Locality Convention

Promoting equality and diversity



Protected characteristics

In addition to our wider commitment to inclusion, in 2017 we decided to focus on age, disability, race and sex

Funding awarded

Made over £2m of grants to projects specifically working with people with disabilities and from BAME communities

Building the evidence base



Twine data platform

Our innovative business intelligence platform went live with 111 active organisations



Commissioned research

We published 18 reports and working papers on topics as wide ranging as community mental health provision, 'uncharted' social investment and a review of how data assets are being used at local level



Strategic priorities for 2018

In 2017 we decided where we would focus some of our resources across programmes, sectors and places.

In 2018 we will start to execute and invest to meet these long-term objectives.

"I've helped community businesses identify a vision for their region."

Danielle Cohen

Places Programme Manager,
Power to Change



Sector	5 year goal	Focus in 2018
Housing	Community-led housing is seen as a viable proposition by the housing sector, national and local government.	Invest in feasibility and pre-development grants in five areas including Bristol and Leeds.
Energy	Community ownership of renewable energy is recognised as a viable alternative to large energy providers.	CORE joint venture to continue purchasing solar assets which will ultimately be transferred to community ownership. An energy programme will also be established to support nascent community energy businesses.
Health and Social Care	Community-owned models have demonstrated they can deliver improved health and social care outcomes that are viable in the long term.	Support a small number of social care organisations to become community businesses. Run a Community of Practice for promising approaches that could be delivered through a community business model.
Place		
Cities & Counties	Community businesses have demonstrated that they have a role to play in enabling local decision makers to realise their strategic priorities.	Complete consultation phases in Bristol, Liverpool and Suffolk, with effective rollout from Q3.
Empowering Places	Community businesses have demonstrated that they can mobilise local people to bring about positive change through the establishment of new community businesses.	Invest in supporting catalyst organisations in Bradford, Grimsby, Hartlepool, Leicester, Luton, Plymouth and Wigan to spearhead the growth and impact of community business at ward level.
M&S	Traditional businesses have demonstrated that they can effectively support community businesses to start and grow, with funding and skills-based volunteering.	Deliver capacity building and funding events in two places.

Cross cutting themes

	5 year goal	Focus in 2018
Community Assets	Community asset ownership is recognised by local and national decision-makers as an important part of local place-based strategies.	Identification of places with an appetite for multiple asset transfers and the co-design with key stakeholders of interventions in these places.
National Infrastructure	Community businesses can access low cost, high quality technical and strategic development support and appropriate finance.	Work with sector, regional and national representative organisations to ensure community businesses can access appropriate support.

Open Access

Start up	Grow the number of new and early stage community businesses with sound plans for sustainability and impact.	Continue start up funding through our Bright Ideas programme and early stage through our Trade Up programme. Community pubs will continue to be supported through More Than A Pub programme.
Growth	Grow the number of sustainable, impactful community businesses.	Invest £7 million through our Community Business Fund.
Social investment	Grow the number of sustainable, impactful community businesses using a range of social investment mechanisms.	Support quality community share offers through our new community shares booster programme. Continue blended funding with Key Fund and other social investment institutions.
Capacity building	Grow the number of sustainable, impactful community businesses through delivery of high quality, community business-specific support.	Invest in: – Peer-to-peer capacity building brokerage. – Regional grantee events – Delivery of new leadership approach building on learning from RSA-led programme.

Movement Building

Movement building	Community businesses across the board know that they are community businesses and that they are part of a movement.	Growth of Community Business Weekend open doors event. Deliver local seed funding through our Community Business Panel.
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Measuring our impact



Not only can community businesses breathe life back into isolated and deprived neighbourhoods, they can give local people a new sense of power and purpose.

Our vision at Power to Change is to create “better places through community business”.

We believe that when local people come together to tackle local problems, and choose to do so through a commercial model built around trading, the results are both more powerful and more sustainable than traditional approaches taken by the public, private or third sector. Not only can community businesses breathe life back into isolated and deprived neighbourhoods, they can give local people a new sense of power and purpose.

As a new organisation, we spent our first two years putting in place a research and evidence framework that we think will allow us to test these beliefs in an open and rigorous way. The collection, dissemination and analysis of high quality, standardised data is at the heart of this approach.

We are doing this in a number of ways. As a responsible grant maker, we take great care to make sure we only ask applicants for information that is absolutely necessary, and we do the same when we ask successful grantees to report on their progress. But our approach goes far beyond this. Alongside publicly available datasets, we seek out and procure commercial datasets that allow us to contextualise the performance of our grantees and develop insights into specific geographies.

We are also working collaboratively with the wider voluntary, community and social enterprise sector to agree shared data standards. And we have developed a business intelligence platform, Twine, that allows community businesses to collect financial and operational data on the issues that matter to them and to benchmark their performance against a peer group.

We believe that our ongoing investment in data collection and analysis will allow us to build a rich picture of local economies and the challenges they face. However, to really get to the heart of what's really going on in community businesses, we need to break down the claims made about community businesses into a set of basic statements about how they might transform their local areas and how Power to Change might help them to do so.

Left: The Florence Institute Ltd., Liverpool
Above: Granby Four Streets Community Land Trust, Liverpool

That's where our nine hypotheses (on the following page) come in. These hypotheses were co-developed by Power to Change staff and trustees, sector stakeholders and community businesses themselves. They are intended as research questions, falsifiable ones, that we will assess regularly by drawing on all our data sources. We may find that some don't hold, and where that turns out to be the case, we'll try to adapt and improve them.

We don't think of this approach as a "theory of change" in the usual sense. By combining the data we collect with specific hypotheses we want to test, we hope to be able to present a much more realistic picture of the impact that community businesses have – and the impact Power to Change is making through its support for the marketplace.

We will be publishing a baseline impact report later in 2018. It will set out the framework we have developed for reporting on our impact alongside the data and evidence we have collected to date.

The report will draw on evidence and data from a wide range of sources, including:

- analysis of grantee application and monitoring data;
- internal programme management performance indicators;
- a compendium of the 15 research reports we have published since 2015;
- a financial dataset with up to four years' worth of accounts data for all community business grantees;
- analysis of hyper-local surveys jointly commissioned with government and academia (Community Life Survey and Global Entrepreneurship Monitor).

"Our grants help community businesses develop sustainable and robust income streams at the heart of a vibrant and inclusive society. When it works, I believe this model strengthens the social as well as the economic fabric of a place."

Katie Blacklock

Board member,
Power to Change



We believe that our ongoing investment in data collection and analysis will allow us to build a rich picture of local economies and the challenges they face.



The Florence Institute Ltd., Liverpool

Our hypotheses

How we think community businesses make a difference on their own

Knowledge

They offer better products and services because they know what local people want.

Agency

They build social capital because they engage members in democratic control.

Employment

They increase net employment because they work with people further from the labour market.

Sustainability

They are less likely to close because local people have a strong sense of ownership.

How we think they make a bigger difference when they work with others in the local area

Collaboration

They are more successful because they can drive down costs through collective bargaining, mutual support and the ability to negotiate up and down their supply chains.

Resilience

They are less reliant on local and central government support because assets and surpluses can be used to cross-subsidise otherwise non-viable activities.

How we think the marketplace could grow even more

Infrastructure

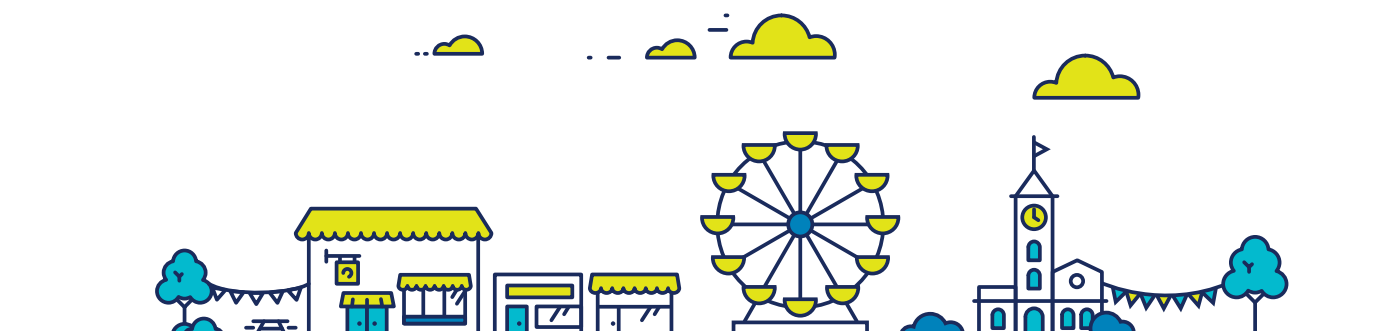
Through infrastructure that stimulates community business growth because it increases capacity, promotes higher standards and provides a voice to influence others.

Assets

Through the transfer of local assets because they increase financial resilience, provide a physical base for operations and generate goodwill.

Public services

Through the opportunity to deliver local public services because they can do so at lower cost and with greater levels of community engagement than traditional public and private sector providers.



Building a movement for community business

Although the community business model has been around in one form or another for centuries, now is the time when it is most needed to create opportunities for communities all over England.

That's why part of Power to Change's endowment is going towards building a community business movement that will outlive us.

Successful movements that are sustainable and that have an impact on the world they live in cannot be built centrally; they are built organically by their members. For that reason, we are seeding initiatives that community businesses at large can draw from to build strength through their numbers. Our jewel in the crown for movement building remains our Community Business Panel, but we have laid out here some key facts on the other activities that took place in 2017.



Community Business Panel

Our panel is made up of 15 community business leaders that meet with the Power to Change executive team every quarter to debate, challenge and provide feedback on our plans.

The panel, which has been a key part of our strategy for the last three years, plays an important role in ensuring we remain closely connected to the heart of the community business movement and that our strategy and programmes are robustly reviewed by experienced business leaders.

Drawn from a diverse range of businesses, both past and present panel members are playing a key role in building momentum for community businesses. This is because of their wide networks and their ability to offer support and assistance to new and growing community businesses.

Highlights for 2017 include:

- Five new members recruited in 2017, ensuring we have exposure to a wide range of community businesses, while offering the opportunity for former panel members to continue their work as ambassadors and spokespeople for the movement.
- Four meetings held across the country at community businesses in Sheffield, Hebden Bridge, Liverpool and London, broadening the exposure of everyone to a broad range of businesses in community hands.
- The Community Business Panel Seed Fund was set up to provide micro grants to fledgling community businesses, leveraging the extensive networks of the panel members to facilitate new community business start-ups and supporting existing businesses looking to develop new revenue streams.



Community Business Weekend

A national open-doors campaign celebrating community businesses in England took place in October.

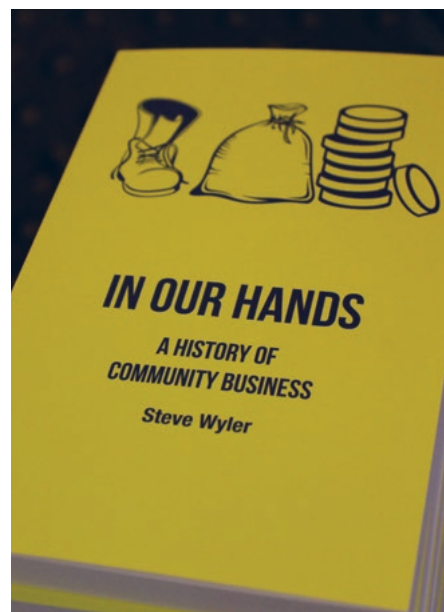
- More than 150 community business opened their doors, a threefold increase over 2016.
- Over 11,000 people visited community businesses in their neighbourhoods.
- 96% of organisers recommended other community businesses take part.



Community Business Leadership

A national programme developing community business leaders.

- 41 graduates from the programme.
- 10 programme sessions, 2 public events.
- 94% of participants reported that peer learning was a highly beneficial part of the programme.



A History of Community Business

A book commissioned by Power to Change, written by Steve Wyler, ex CEO of Locality.

- Charts the rise of community businesses from the Middle Ages to the present day.
- Launched at the Locality Convention in Manchester in November.
- Distributed via a community business, Crediton Community Bookshop.

Our grants in 2017

In 2017 we increased both the range and size of the majority of our programmes. The grants we made are described in the pages that follow. Below is a summary of the programmes.

Programme	Strategic priority	
Initial Grants Programme	Open access (growth)	22
Community Business Fund	Open access (growth)	23
Blended Finance Programme	Social investment	27
Community-led Housing Programme	Sector	29
Community Shares Booster Programme	Social investment	30
Bright Ideas Programme	Start up	31
Innovation and Infrastructure Fund	Capacity building	34
Peer Network Programme	Capacity building	35
More Than A Pub Programme	Start up	36
Trade Up Programme	Start up	39
Empowering Places Programme	Place	40
Delivery grants	Capacity building	40
Research, Policy & Partnerships grants	Movement building	41

Our grants are also available online and to download on the [360Giving](#) website.

“Strong partnerships means more people making the case for community business.”

Sara Buchanan

Programme Manager,
Trade Up, Bright Ideas



Grants by region

North East

14

Total grants awarded

£625,829

Total value awarded

Non place specific:

29

Total grants awarded

£2,426,502

Total value awarded

North West

46

Total grants awarded

£2,304,805

Total value awarded

Yorkshire & the Humber

44

Total grants awarded

£3,108,466

Total value awarded

Total value awarded

£16,679,161

East Midlands

14

Total grants awarded

£664,013

Total value awarded

West Midlands

18

Total grants awarded

£867,557

Total value awarded

East of England

23

Total grants awarded

£976,582

Total value awarded

Greater London

40

Total grants awarded

£2,902,296

Total value awarded

South West

32

Total grants awarded

£1,586,055

Total value awarded

South East

32

Total grants awarded

£1,217,056

Total value awarded

Grants awarded

Glossary

CIC Community Interest Company

CIO Charitable Incorporated Organisation

CLT Community Land Trust

Organisational type

 Charity

 Community energy

 Community finance

 Community housing

 Community pub

 Community regeneration


 Community shop

 Community transport

 Craft, industry and production

 Cross-sector

 Digital

 Employment, training and/or education

 Food and farming

 Health and social care

 Library

 Mental health and wellbeing

 Multi-use facility/managed workspace

 Public land management

 Sports & leisure

 Tourism, heritage, arts & culture

Initial Grants Programme

Total awarded in 2017: £230,092

The following community businesses were awarded grants during 2017 under the Initial Grants Programme, which Power to Change ran in our first phase of operation.

Burton Street Foundation



Yorkshire & the Humber
Award: £20,978

A grant towards refurbishment of a disused factory to support adults with learning difficulties into employment.

Centre at Threeways



Yorkshire & the Humber
Award: £150,000

Funding towards re-fit of a school to create a sports hall, conference centre and business space to increase income and sustainability.

Incredible Aquagarden Todmorden



Yorkshire & the Humber
Award: £5,000

Funding for business support to grow the organisation's capacity so they can continue growing fruit and veg for everyone to share and supporting community events.



Burton Street Foundation, Sheffield

Kirkgate Arts



North West
Award: £24,114

Funding planning costs for a refurbishment including a café and more flexible artistic space, plus increased opportunities for volunteering and access to the arts.

Red Brick Building Centre



South West
Award: £20,000

Funding to increase earned income at the centre by maximizing space and business development, to increase the sustainability of the centre's community benefit.

The Selby Trust



Greater London
Award: £10,000

Funding towards specialist advice to support lease renegotiations.

Community Business Fund

Total awarded in 2017:
£8,144,505

The Community Business Fund supports existing community businesses with funding for a business development project to make their organisation more sustainable.

Acts of Random Caring CIC



West Midlands
Award: £119,073

A grant to take over the running of a council owned ex-adventure playground area and community building to provide activity for young people in Wolverhampton.

Alfrick & Lulsley Community Shop Ltd.



West Midlands
Award: £41,619

Grant funding towards the development of a new community shop, including support to develop the business plan and impact measurement.

Ancoats Dispensary



North West
Award: £75,000

Funding towards a community-led project to transform the derelict Dispensary, part of the historic Manchester hospital, into a thriving community asset.

ASH Yorkshire CIC



Yorkshire & the Humber
Award: £296,880

A grant towards developing a park lodge into a community hub providing health and wellbeing services and promoting community cohesion.

Asset Base



North East
Award: £59,215

Funding towards the Guilt Free Kitchen providing healthy choices and a greater range of community activities, as well as a package of business development support.

Barnet Community Transport



Greater London
Award: £119,000

Funding towards developing back office resources and sharing best practice with other community transport schemes, providing safe, accessible and affordable transport to groups in Barnet.

Bromley by Bow Centre



Greater London
Award: £295,994

A grant covering changes to the centre building and staffing processes to increase integration of health and community services such as social prescribing.

Cafe INDIEpendent Ltd.



Yorkshire & the Humber
Award: £292,500

Funding for the refurbishment of the cafe to create a space for arts and enterprise ventures, supporting their employability project for disadvantaged young people.



Case Study Community Business Fund

Star and Shadow Cinema



North East
Award: £101,500 grant

Local people are at the heart of this cinema in Newcastle, where they have been curating its rich arts programme for over 10 years. When their rented building was closed for development in 2014, the volunteers decided to find their community cinema a permanent home. After fundraising efforts and a mortgage from Newcastle County Council, the group bought

a building in Sandyford, an economically deprived area with few community spaces. Power to Change awarded Star and Shadow a grant to refurbish the building and fit it out as a cinema. The new Star and Shadow will become a community arts venue with a café, library, and community garden as well as the cinema serving 6,000 local people. Their volunteer-led programme will be an accessible point of entry to the region's thriving arts scene for the community and allow this co-operative to continue to provide a rich programme created and directed by local people.

Centre West Newcastle



North West

Award: £154,273

Funding towards a community asset transfer for Elswick pool, so that the community can re-open the leisure centre, with residents at the heart of the process.

Crystal Palace Community Development Trust



Greater London

Award: £223,900

A grant to improve disability access to facilities at Anerley Town Hall, to meet local business and community need for a more accessible space.

Cullingworth Village Hall



Yorkshire & the Humber

Award: £244,000

A grant towards rebuilding a dilapidated village hall to house a pre-school group, provide additional income for the group and facilities for the community.

Ennerdale Hub



North West

Award: £62,000

Funding for 'The Gather', a village community hub, to enable it to move towards financial sustainability and become a hub of rural regeneration.

FC United of Manchester



North West

Award: £298,500

A grant towards creating a community space beneath the East Stand at the stadium which will operate for the benefit of the wider local community.

Fordhall Community Land Initiative



West Midlands

Award: £300,000

Funding to build a straw bunkhouse to provide accommodation for groups using the farm including volunteers, the unemployed and school groups.

Future Regeneration of Grangetown



Yorkshire & the Humber

Award: £299,863

A grant to establish a community hub providing childcare, a cafe, arts and craft and business space, and creating jobs in an area of high deprivation.

Glamis Hall For All



East Midlands

Award: £182,500

Funding to invest in replacing the vehicle fleet used to transport vulnerable people to the wellbeing centre services for over 50s.

Greenwich Co-operative Development Agency



Greater London

Award: £140,382

A grant covering initial start-up costs for 'Fare Meals', providing healthy and sustainable meals from upcycled surplus food supplied by Fareshare.

High Peak Renovate CIC



East Midlands

Award: £10,000

A grant for business development support to refine the financial model and develop volunteer and employee capacity to take on new parts of business operations.

Highfields Community Association (variation)



East Midlands

Award: £35,380

Funding towards redevelopment at the centre so that they generate more income through lettings to finance the social impact and community activities of the association.

Homebaked Community Land Trust CIC



North West

Award: £215,694

Funding towards developing the first floor of the bakery to create affordable housing for local young people and help reanimate the high street.

Horfield Common CIC



South West

Award: £10,000

Business development support to develop their business and financial planning, and their mechanism for broad community engagement.

Jubilee Pool Penzance



South West

Award: £300,000

Funding towards geothermal heating for the pool and improved hospitality facilities, to increase the business's sustainability and provide access to affordable local leisure facilities.



Sunderland Homegrown CIC, Sunderland

Kennington Association Ltd.



Greater London

Award: £277,010

Funding to create office space for local people and support an adventure playground and space for youth initiatives in this neighbourhood.

Lincoln Area Regeneration Group



Greater London

Award: £240,391

Funding for this resident-led organisation towards a pontoon which will generate income from moorings to invest in regenerating the canalside Limehouse Cut area.

Millfields Community Economic Dev. Trust



South West

Award: £180,420

A grant towards setting up a new fashion industry community business which will provide education and training opportunities as well as employment for the local community.

Monkey Park



East Midlands

Award: £145,250

Funding towards the building costs and manager's salary to reopen a derelict local building as a community hub to provide local services and community development.

Oblong Ltd.



Yorkshire & the Humber

Award: £2,500

Support to cover developing a sustainable business plan for Oblong, which runs the Woodhouse community centre, provides volunteering opportunities and offers mental wellbeing services.



Case Study Community Business Fund

The Ardagh Community Trust South West



Award: £169,762 grant

The Ardagh sits on Horfield Common, just north of Bristol City Centre, across wards and political boundaries. Its sports facilities, including tennis courts, a pavilion and a bowling green, were falling into disrepair and facing a dim future, with no one taking a lead on maintaining the park. Instead of watching the park deteriorate,

local people came together and began to turn the derelict space at the Ardagh into a seasonal café. From the café and events, the group was able to earn money to reinvest in the facilities and create positive change for people in the community. After consulting with all the groups who use the park, the group are now embarking on a regeneration of the sports areas and creating a multi-purpose centre. This grant will support the group to take on management of the park from the council and continue their ambitious revitalisation of the site.

Osmani Trust



Greater London

Award: £125,516

Grant towards setting up a cafe within the Osmani Centre to bring the community together further, combatting social isolation, supporting local people into employment.

Paddington Development Trust



Greater London

Award: £259,629

Funding towards the renovation of a listed church building into a vibrant community space, cafe and arts venue and help foster a sense of community.

Ravensthorpe Community Centre Ltd.



Yorkshire & the Humber

Award: £153,187

Funding towards extending the existing building to create a new cafe and health centre, which will sustain its social benefit through developing earned income streams.

Safe Regeneration Ltd.



North West

Award: £117,705

A grant towards refurbishing a derelict pub area on the Liverpool canal to create accommodation, business units, and community space, boosting local employment and wellbeing.



The Antwerp Arms Association Ltd., London

South Tynedale Railway Preservation Soc.



North West

Award: £207,310

Funding towards employment support programmes offered by the business through the restoration of a steam locomotive, to boost the local economy.

Squash Nutrition



North West

Award: £26,500

A grant towards developing Toxteth Food Central, a community-led food shop and cafe where residents can eat well, support each other and take up new opportunities.

Stour Space Ltd.



Greater London

Award: £144,300

Funding towards upgrading the facilities in this creative hub and studio space, and expand trading activities to combat social deprivation.

Stutton Community Shop



East of England

Award: £76,302

Funding towards developing a new permanent home for this rural community shop tackling social isolation and providing somewhere for the local population to buy essential supplies.

Sunderland Home Grown CIC



North East

Award: £133,200

A grant towards the initial costs of creating a trading garden centre to extend therapeutic gardening opportunities for adults with learning and physical difficulties.

Sutton Community Farm



Greater London

Award: £66,210

Grant towards staff costs to maintain good customer service, supporting the farm's wider aims to provide access to healthy food, jobs and volunteering opportunities.

The Antwerp Arms Association Ltd.



Greater London

£111,500

A grant towards creating a dedicated community space in this co-owned pub to support existing services including a free lunch club to operate more effectively.

The Debt Advice Network



North West

Award: £87,050

Funding towards the Ellesmere Port Food Partnership, tackling food poverty through a non-profit community shop where members buy food that would otherwise go to landfill.

The Green Estate CIC



Yorkshire & the Humber

Award: £299,650

A grant towards acquiring and refurbishing a new building which will develop new earned income streams and support their wider education and supported employment work.

The Neighbourhood Services Company



North West

Award: £240,000

Funding towards establishing Good Food Stores to tackle food poverty in a disadvantaged area of Liverpool.

The Nest Cafe & Community Rooms



North East

Award: £97,591

Funding towards refurbishing the cafe and enable the team to support families better both informally and by launching a centralised families programme.

The Oxford House in Bethnal Green



Greater London

Award: £262,474

Funding towards refurbishment of this historic building to create a cafe and events space in a hub for social enterprise, providing jobs and training opportunities.

The Rotunda Ltd.



North West

Award: £66,259

A grant to create an outdoor community venue for arts and wellbeing activities in a community business currently providing a nursery, counselling centre and alternative education.

The St Tudy Community Shop Ltd.



South West

Award: £107,500

A grant towards the extension of the shop to create a hub with cafe, library and IT services to connect the community and provide services locally.

Tiber Community Building



North West

Award: £50,016

Funding to construct top class sporting facilities and regenerate the identity and local economy of this area of Liverpool.

Viva Arts



East of England

Award: £220,000

Funding for an established community arts group to buy a 19th Century Mill and turn it into a community hub, housing activities for local people.

West Faversham Community Association



South East

Award: £287,500

A grant to develop a building near an existing centre, to support a dance studio and karate club, and bring in vital income for the centre.

Blended Finance Programme

Total awarded in 2017: £748,350 which unlocked additional funding of £2,002,350

In the Blended Finance programme we worked with two organisations to use our grant funding to unlock extra investment from social investors, leveraging more money into the community business sector. Our strategic partners for the programme are Key Fund and Social and Sustainable Capital, who provide loans alongside our grant funding.

Can Cook Food



North West

Award: £100,000 grant unlocked £160,000 funding from Liverpool City Council

Investment to provide working capital to enable the business to scale their impact on food poverty from a stable financial platform.

Gawcott Fields Solar



South East

Award: £150,000 (£75,000 grant, £75,000 bonds held by The Community Investment Fund managed by SASC on behalf of Power to Change) unlocked a £575,000 SASC loan

Grant and investment to enable the business to continue generating low carbon electricity and generating income to fund community projects.

Giroscope



Yorkshire & the Humber

Award: £250,000 grant unlocked a £750,000 SASC loan

A grant towards purchase and renovation of long term empty properties and a new self-build project to be let to people in housing need, social enterprises and community organisations.



Case Study Community Business Fund

Charles Burrell Centre



East of England

Award: £112,500 grant

The Charles Burrell Centre in Thetford, Norfolk, was established in 2013, when a group of local people came together to buy a former school due to be demolished to turn it into a community centre. The Centre creates opportunities for people in an area with a challenged job market, through jobs, skills development and supporting local businesses.

Power to Change awarded a £112,500 grant to transform unused parts of the old school building, including former changing rooms and library, into small affordable rentable units for local businesses. This will increase the range of employment opportunities in the local area and increase the income of the business to enable it to provide other services to the community, including its toy library, foodbank and low-cost stay and play sessions. All the Centre's work is controlled by local people through their membership, safeguarding this valuable community resource for the future.



Case Study Blended

Love Withington Baths

North West

Award: £13,500 grant unlocked a £50,000 Key Fund loan plus £13,500 grant from NIFCO/Access

Withington Baths is Manchester's last working Edwardian pool and a much-loved community sports centre. When its imminent closure was announced in 2013, local people sprung into action with a campaign expressing their love for Withington Baths, and forced a Council U-turn. Since then, the community has taken on managing the baths, with a viable business plan to sustain this valued and historic community asset for the future.

As well as providing local sports facilities to over 1,200 members, Love Withington Baths is moving to re-open unused upstairs space as The Working Well, a co-working space for small businesses and the self-employed. The project will offer business support and employment opportunities as well as rentable workspace for 30 businesses.

Power to Change granted £13,500 towards The Working Well project, which also allowed the group to drawdown additional loan funding of £50,000 from the Key Fund to take forward the next stage of this community's vision.

Intake Preschool

Yorkshire & the Humber

Award: £34,500 grant unlocked a £80,500 Key Fund loan

A grant towards capital costs to relocate to a better location, enabling this village nursery to open 50 rather than 22 hours a week.

Lister Steps Ltd.

North West

Award: £35,000 grant unlocked a £35,000 Key Fund loan

A grant towards initial costs involved in the asset transfer of the Andrew Carnegie Library, refurbishing it and opening it as a community hub.

Riccall Regen 2000

Yorkshire & the Humber

Award: £25,000 grant unlocked a £25,000 Key Fund loan

A grant towards essential refurbishment of the centre which contains a nursery, after-school club, meeting rooms and sports hall.

Settle Victoria Hall Ltd.

Yorkshire & the Humber

Award: £10,800 grant unlocked a £27,000 Key Fund loan plus £7,200 grant from NIFCO/Access

A grant to cover supply of audio-visual equipment so that the hall can show films and stream theatre shows, and increase access to arts and culture in this rural area.

Skills for Communities

Yorkshire & the Humber

Award: £19,250 grant unlocked a £73,500 Key Fund loan plus £12,250 grant from NIFCO/Access

Funding for an extension to the building to increase capacity to deliver training with the BAME community in Hull, and to create accommodation to diversify their income streams.

Spark York

Yorkshire & the Humber

Award: £37,450 grant unlocked a £70,550 Key Fund loan

A grant for capital costs to create a hub of small businesses in York to meet a need local people feel is missing in the city centre.

Tanhouse Community Enterprise

North West

Award: £50,000 grant unlocked a £100,000 Key Fund loan

A grant to assist with capital refurbishment to a disused block of flats to provide affordable housing to vulnerable young people and rehoused Syrian refugees.

We Make Places CIC

North West

Award: £22,850 grant unlocked a £22,850 Key Fund loan

A grant towards the 'Urban Workbench' project, a learning hub for local people to develop DIY skills, enabling them to take control of shaping their neighbourhoods.

"It's been amazing to see over 150 community businesses open their doors over Community Business Weekend."

Charlotte Cassedanne

Head of Communications,
Power to Change



Community-led Housing Programme

Total awarded in 2017: £664,205

The Community-led Housing Programme aims to create a sustainable infrastructure of support and to develop funding provision for the community business-led housing sector. The programme invests in infrastructure and community-led housing projects in specific city regions, which included Bristol and Leeds in a vanguard phase in 2017.

Ambition Lawrence Weston

South West

Award: £65,000

A grant towards the pre-development costs of 40 low-cost, energy efficient homes for affordable rent or purchase by local residents.

Ashley Vale Action Group

South West

Award: £52,000

A grant to provide support for a planning application to build 19 affordable homes, as well as land and land for growing food and education.

Bristol CLT

South West

Award: £87,500

A grant to address post planning issues to enable work to start on building 49 homes for social rent and shared ownership.

Calder Valley CLT

Yorkshire & the Humber

Award: £21,500

A grant to support professional fees for a planning application to build 23 affordable homes for young people and families in the area.

Ecomotive Ltd.

South West

Award: £90,000

A grant to support the development of a local hub for advice and support for community-led housing groups.

Inspired Neighbourhoods CIC

Yorkshire & the Humber

£65,000

A grant to provide support for a planning application for 52 living units for people with special needs, and 8 bed-release flats for post hospital convalescence.

Leeds Community Homes

Yorkshire & the Humber

Award: £90,000

A grant to support the development of a local hub for advice and support for community-led housing groups.

Southmead Development Trust

South West

Award: £88,625

A grant to build capacity and support professional fees for a regeneration project to create 20 affordable rented flats for young and older people.

YorSpace

Yorkshire & the Humber

Award: £30,000

A grant to support access to legal advice and a 5% deposit to secure a building site, to unlock other funding and create more homes.



Case Study Community-led Housing

New Wortley Community Association

Yorkshire & the Humber

Award: £74,580 grant

Based in a disadvantaged area of Leeds, New Wortley Community Association (NWCA), is building on its success developing an award winning new community centre building, previously funded by Power to Change, by embarking on developing its own affordable housing. This grant will enable NWCA to pay for professional support to work on the plans, submit a planning application, and produce a viable business plan

that will attract the investment needed to build the homes.

NWCA is using its experience, project team and contacts to help shape and deliver an 8–12 unit housing scheme, acting in response to the residents' wishes for homes that local people can afford. The aim is also to improve the local area, creating attractive and safe well-lit spaces in this run-down estate.

In the process, NWCA has transformed itself into an organisation that drives regeneration and investment into the area, demanding that development is co-produced with the local community.

Community Shares Booster Programme

Total awarded in 2017: £650,166

Working with Co-operatives UK, the community businesses on this programme received business development support to help them launch community share offers. The support offer consists of a development support grant of up to £10,000 for the development of the share offer. Following on from this, the beneficiaries have access to up to £100,000 match funding in the form of an equity investment by Co-operatives UK. The funding for these equity investments (amounting to £607,666) is granted to Co-operatives UK by Power to Change.

Friends of Stretford Public Hall

North West

Award: £100,000 equity

Their share offer will enable local people to come together to re-open a former ballroom as a venue for community and cultural activities.

Future Wolverton Ltd.

South East

Award: £10,000 grant and £50,000 equity

Their share offer will raise money to fund refurbishment of the Old School, to reopen it as a community hall, cafe and guest house.

Grimsby Community Energy

Yorkshire & the Humber

Award: £23,525 equity

Their share offer will put PV panels onto six community buildings in Grimsby, providing cheaper energy, raising funds for a community benefit fund and thus reducing CO₂ emissions.

Hastings Voluntary Action for and on behalf of Friends of Hastings Pier Charity

South East

Award: £10,000 grant

To provide support to shareholders, members and supporters of Hastings Pier Charity, to assist with looking at opportunities for continued community ownership of the Pier.

Leeds Community Homes

Yorkshire & the Humber

Award: £100,000 equity

Their share offer will enable the community to build the group's first 16 permanently affordable homes in Leeds to help address housing insecurity.

Nenthead Chapel Enterprises Ltd.

North East

Award: £13,805 equity

Their share offer is for a project to transform this former chapel into a community hub, bringing people together and creating jobs and event space.

Salford Hope

North West

Award: £10,000 grant

This share offer will contribute to the purchase and refurbishment of the historic St Ignatius church building, and will also unlock further funding.



Case Study Community Shares

Friends of the Earth Birmingham West Midlands

Award: £6,000 grant and £100,000 equity

Friends of the Earth campaigners first moved into the Warehouse, an abandoned industrial building, in Birmingham, 30 years ago. For many years the building was run as a co-operative and used as the base for active environmental campaigns in the city. The Warehouse is still run by its

members, who make sure the group stays true to its principles.

The mission of the Warehouse is educating and inspiring the local community on environmental issues. They also put this into practice, aiming to manage the building so it is carbon neutral and zero waste. The group is aiming to be sustainable in every way, earning income by providing meeting, office and event space to the local community, and through a bike shop and café. Power to Change supported them with their share offer so local people could invest in this 'little green community in the big city'.

Shotley Heritage Community Benefit Society Ltd.

East of England

Award: £62,145 equity

Their share offer will buy, restore and reopen a Victorian railway pier and transform it into a working attraction.

Sutton Community Farm

Greater London

Award: £48,731 equity

Their share offer will go towards the building of a barn for staff and volunteers to work and pack the farm's produce for their local veg box scheme.

The Bamford Community Society

East Midlands

Award: £4,000 grant and £10,000 equity

Their share offer will fund capital developments to improve the sustainability of this community hub providing valued services and employment in this rural community.

The Bytham Community Shop Ltd.

East Midlands

Award: £2,500 grant and £18,460 equity

This share offer will provide investment towards building a community-owned shop and social hub, a project started when the village shops in Bytham closed in 2013.

Whistlewood Common Ltd.

East Midlands

Award: £81,000 equity

Their share offer will be invested in this community-owned woodland, managed sustainably through permaculture and providing a space for local people to come together in nature.

Bright Ideas Programme

Total awarded in 2017: £914,953, plus business development support of £358,800 through our partner Locality

Our Bright Ideas Programme, delivered by Locality in association with Plunkett Foundation, Co-operatives UK and Groundwork UK, supports groups to turn an idea for a community business into a reality. The open access programme provides one to one business development support and a small grant of up to £20,000 to explore and test the feasibility of an idea, to engage and win the support of the wider community, to establish the right legal and governance structures to develop the community business, to develop a viable business plan, or to lay the groundwork for purchasing and developing an asset.

Beeston Community Enterprises Ltd.

East of England

Award: £15,000**Bollington Initiative Trust**

North West

Award: £14,750**Byrne Avenue Trust**

North West

Award: £13,724**Candover Valley Community Store**

South East

Award: £6,414**Care Plus (Staffordshire) Ltd.**

West Midlands

Award: £14,780**Community Help and Lifestyle Knowledge CIC**

West Midlands

Award: £15,930**Community Roots Community Interest Company**

South West

Award: £20,000**Dartmouth Hill Community Shop**

Greater London

Award: £8,430**Donnington Partnership**

West Midlands

Award: £15,759**Edberts House**

North East

Award: £20,000**Eves Hill Veg Co**

East of England

Award: £15,000**Friends of Dewsbury Park Mansion (Crow Nest Park)**

Yorkshire & the Humber

Award: £10,000**Friends of Ruskin Park**

Greater London

Award: £14,160**Friends of Westdene Green**

South East

Award: £9,295**Fulwell Community Library**

North East

Award: £12,960**Gardens for All**

Greater London

Award: £19,590**Gibside Community Farm**

North East

Award: £15,000**Green Synergy**

East Midlands

Award: £14,965**Growing Sudley**

North West

Award: £15,009



Case Study Bright Ideas

Litherland REMYCA F.C. North West **Award: £14,700 grant**

Strong community links are part of the history of Litherland REMYCA football club, which has links with Bootle YMCA and a local working mens' club. The club is now run as a community owned co-operative which means decisions are made transparently and on a democratic basis.

Members understand the place in the community a football club can have – to connect people, and provide opportunities not only for fitness, friendship and sport but also a positive sense of identity.

Power to Change offered support to the club through the Bright Ideas fund. The grant will allow the club to access development support including advice on business planning, community engagement, marketing and social impact.

This development support will build on the conversion of the club to community ownership and explore opportunities to create a sports and social hub for the community of Litherland and Ford. Ultimately, Power to Change hopes to see Litherland succeed both on and off the pitch, continuing to play a strong and positive role in Litherland, as it has over the last 50 years.

Harlesden Letts

Greater London
Award: £9,527

Hartcliffe and Withywood Community Partnership

South West
Award: £15,000

Higham Hill Hub CIC

Greater London
Award: £15,000

Horton Chapel Arts & Heritage Society

South East
Award: £15,000

Inside Workout

North West
£14,800

Karmand Community Centre

Yorkshire & the Humber
Award: £12,950

Kiveton Park and Wales Community Dev. Trust

Yorkshire & the Humber
Award: £11,800

Lancaster Labour Community Club

North West
Award: £6,930

Leeds Locality Consortium/ New Wortley Comm. Assoc.

Yorkshire & the Humber
Award: £19,972

Lewisham Pensioners' Forum

Greater London
Award: £7,316

Liverpool Community Laundrette

North West
Award: £14,968

London Grown

Greater London
Award: £13,905

Love Norbury

Greater London
Award: £14,540

Luddenden Foot Community Association

Yorkshire & the Humber
Award: £15,304

MoorEnd Development Trust

North West
Award: £15,000

Moseley Road Baths Action Group

West Midlands
Award: £15,000

New Ferry Rangers FC

North West
Award: £19,000

North Dorset Railway Trust

South West
Award: £15,000

OASIS Community Church (Workshop) 🏠
East Midlands
Award: £14,600

Oasis Foundry Hub 🏠
West Midlands
Award: £14,396

Oxford City Farm 🌿
South East
Award: £14,800

Par Track Ltd. 🚗
South West
£14,750

Permafutur Agroecology Ltd. 🌿
Yorkshire & the Humber
Award: £14,995

Ripley Recreation Ground Trust 🚗
East Midlands
Award: £13,838

Roseland Community Activity Centre 🚗
South West
Award: £13,920

Seaview Village Community Shop 🏠
South East
Award: £12,631

Shotley Heritage Community Benefit Society Ltd. 🧑🏽
East of England
Award: £15,780

Shotton Partnership 2000 Ltd. 🚗
North East
Award: £14,994

Sikh Community Centre & Youth Club SCCYC 🏠
East Midlands
Award: £15,060

Sole of Discretion 🌿
South West
Award: £14,685

Sourced in Salford 🌿
North West
Award: £6,500

St Ann's Redevelopment Trust 🏠
Greater London
Award: £14,933

Stainforth 4 All 🚗
Yorkshire & the Humber
Award: £14,980

Sunlight Development Trust 🏠
South East
Award: £14,127

The Bread Kitchen CIC 🏠
East of England
Award: £14,892

The Bythams Community Shop Ltd. 🏠
East Midlands
Award: £15,000

The Exchange Erith Ltd. 🚗
Greater London
Award: £14,000

The Playground 🚗
East of England
Award: £15,000

The Real Photography Company 🏠
South West
Award: £9,959

Truro Community Land Trust 🏠
South West
Award: £15,000

Ucraft CIC 🚗
North West
Award: £14,935

Vintage Worx Community Development Trust 🏠
North West
Award: £14,010

Wath Hall Ltd. 🧑🏽
Yorkshire & the Humber
Award: £14,825

Westway Trust 🏠
Greater London
Award: £14,765

Whole Again Communities CIC 🌿
South West
Award: £11,100



Permafutur Agroecology Ltd., Doncaster



Stocksbridge Community Leisure Centre, Stocksbridge

Innovation and Infrastructure Fund

Total awarded in 2017: £897,258

This programme seeks to back and build upon the most innovative thinking around the community business sector.

Camerados

South East

Award: £66,230

Funding to create the first Camerados café with the feel of a 'living room' to address social isolation and develop a replicable model for catalysing community businesses in areas of deprivation.

Community Catalysts

National

Award: £117,000

A grant to help develop community-led social care and health solutions, working with local authorities, social entrepreneurs using a successful five-step approach involving catalyst individuals.

Crowdfunder

National

Award: £100,000

A grant towards creating a £100K development programme for supporting eligible community businesses by matching crowdfunded donations with local support, and potentially developing community share offers.

DERIC (Developing and Empowering Resources in Communities)

South East

Award: £106,551

Funding for DERIC to work with local authorities and communities to develop new community businesses in response to identified local needs.

Onion Collective

National

Award: £70,000

Funding for an existing community business to develop its informal support of others so that it can earn income through consultancy and community business support.

Plunkett Foundation

National

Award: £69,227

A grant towards a feasibility project for the creation of a member-led, self-sustaining Community Pubs Group supporting community pubs to access benefits of scale.

Repowering Brixton

Greater London

Award: £99,600

Funding to empower communities in Lambeth to develop and manage local renewable energy projects, that will also create training and internship opportunities for unemployed young people.

Resonance Ltd.

National

Award: £49,500

Funding towards developing a community asset infrastructure fund to provide risk capital for groups taking on housing, sports and energy assets with viable business models.

RIO (Connected Schools plus)

National

Award: £100,000

A grant to work with 6 schools to support communities of staff, children and parents to create new community businesses which address local community needs.

RIO (Real Ideas Organisation)

National

Award: £20,000

A grant building on the Connected Schools programme, supporting an additional two schools and trialling a match funding approach to stimulate community engagement via crowdfunding.

The Ubele Initiative

Greater London and North West
£99,150

Funding to provide business support to five BAME organisations with community assets wishing to become community businesses and to develop young BAME community entrepreneurs.

Peer Network Programme

Total awarded in 2017: £464,983

The Peer Network Programme awards grants to networks who will then improve the support available for community business and build the capacity and sustainability of the sector.

Co-operatives UK

National

Award: £40,000

A grant to build the network of community shares practitioners so it can operate more independently and support organisations making share offers.

Impact Hub Brixton

Greater London

Award: £32,289

Funding for a weekly networking and collaboration event series for those interested in community enterprise in Lambeth and develop the use of the sharing platform Echo.



Impact Hub Brixton, London

Locality

National

Award: £44,310

Funding to expand Locality's existing network of community businesses to include new members through more regional activity and events.

Octopus Community Network

Greater London

Award: £30,434

Funding to expand an existing community building network in Islington and to foster collaboration and mutual support between organisations in this area.

OrganicLea

Greater London

Award: £34,580

Funding to develop the network of community food growing projects, to facilitate peer learning in the areas of business expertise, start-up support and campaigning work.

Plunkett Foundation

National

Award: £35,470

Funding to establish new local peer network groups and an online peer networking system for community co-operatives working to address rural social issues.

Project Dirt

National

Award: £53,642

A grant to support an existing online network of grassroots community projects to move offline with a festival-style event, to celebrate successes and learn from one another.

Regen SW

South West

Award: £37,047

Funding for the LEARN project to demonstrate a replicable model for community energy networking, focussing on creating local, self-sustaining networks that encourage collaboration and peer learning.

Social Enterprise Acumen CIC

North East

Award: £37,654

Funding to develop a club for community business leaders in the North East to provide opportunities for peer learning, networking and collaboration.

Supporters Direct

Greater London

Award: £28,814

Funding for peer network activities for co-operatives running local football clubs to facilitate learning and discussion around the issues of inclusivity and grass roots control.

The Company of Community Organisers

South West

Award: £26,361

A grant to allow this network to provide training in community organising, with a focus on community business as a means to address local issues such as employment.

The Eden Trust

South West

Award: £30,656

A grant to support the Eden project to develop business resources with people starting on the road towards community business, including a redesigned strand of the Community Camp programme.

Upper Norwood Library Trust

Greater London

Award: £33,726

Grant funding to develop the current peer network of community managed libraries to provide advice and support, and ultimately help more communities protect their libraries.

More than a Pub Programme

Total awarded in 2017:
£1,182,235

Our More than a Pub programme in association with Plunkett Foundation, supports pubs to become community owned and operate with a charitable purpose over the course of two years. Community groups in England will receive a comprehensive package of business development support, peer support and visits, plus loan and grant funding. The names listed below are pubs or organisations set up to purchase pubs on behalf of the community.

Ashton Hayes Community Pub Ltd.

The Golden Lion

North West

Award: £2,500

Avon Dassett Community Benefit Society Ltd.

The Yew Tree, Avon Dassett

West Midlands

Award: £42,500

Loan: £60,000

Barley Fox & Hounds Community Pub Ltd.

The Fox and Hounds, Barley

East of England

Award: £2,500

Beckley and Area Community Benefit Society Ltd.

Abingdon Arms, Beckley

South East

Award: £50,000

Loan: £50,000

Berwick Brown Bear Ltd.

The Brown Bear Inn, Berwick

North East

Award: £2,500

Cardigan Arms Community Pub Ltd.

The Cardigan Arms, Leeds

Yorkshire & the Humber

Award: £2,500

Caverswall Community Society

The Auctioneers Arms, Caverswall

West Midlands

Award: £50,000

Loan: £50,000

Dorchester Community Society

The Fleur de Lys, Dorchester

South East

Award: £2,500

Exelby Green Dragon Community Pub Ltd.

The Green Dragon, Exelby

Yorkshire & the Humber

Award: £2,500

Friends of The Greys Ltd.

The Greys' Brighton

South East

Award: £2,500

Friends of the Joiners Arms Ltd.

The Joiners Arms, Shoreditch

Greater London

Award: £2,500

Garibaldi Pub, Redhill

South East

Award: £2,500



Case Study Community Pub

The Gardeners Rest

Yorkshire & the Humber

Award: £50,000 grant

Loan: £50,000



The Gardeners Rest is a historic pub in Neepsend, Sheffield, but it also embraces being 'more than a pub' as a community pub providing a space for different groups in the community. The Gardeners Rest is a traditional local pub serving real ale but also a music venue, an activity centre and art exhibition space. During the day it is used by sports teams, local history groups

and faith groups for their regular activities. The pub also supports regulars with learning disabilities and mental health disorders with volunteering and employment opportunities.

Those welcomed for a pint by the river appreciate that it's a place that is owned by local people and run for the whole community. The grant from Power to Change helped the community to purchase the pub, preserving its unique local character, and providing a familiar space in the heart of the community where people can come together to do activities they enjoy.

Helions Bumpstead Community Company Ltd.

Three Horseshoes, Helions Bumpstead

East of England

Award: £2,500

Henry Jenkins Community Co-operative Ltd.

The Henry Jenkins Inn

Yorkshire & the Humber

Award: £2,500

Hildersham Community Pub

The Pear Tree, Hildersham

East of England

Award: £2,500

Keep Wistow Flowing Ltd.

The Three Horseshoes, Wistow

East of England

Award: £2,500

Mare & Foal Community Society Ltd.

The Mare and Foal, Yeoford

South West

Award: £2,500

Nailstone Community Pub Ltd.

The Bulls Head, Nailstone

West Midlands

Award: £2,500

Northwold & Whittington Community Benefit Society Ltd.

The Crown Inn, Northwold

East of England

Award: £2,500

Pebmarsh, Friends of the Kings Head

The King's Head, Pedmarsh

South East

Award: £40,000

Loan: £50,000

Puzzle Hall Community Pub Ltd.

The Puzzle Hall Inn

Yorkshire & the Humber

Award: £52,500

Loan: £50,000

Raglan Community Hub

Lord Raland Hotel

North West

Award: £2,500

Red Grave Community Society

The Cross Keys, Redgrave

East of England

Award: £50,000

Loan: £50,000

Robin Hood Community Group Ltd.

The Robin Hood Pub

North West

Award: £550

Rogate Community Society Ltd.

The White Horse, Rogate

South East

Award: £2,500

South Moreton Community Benefit Society Ltd.

The Crown, South Moreton

South East

Award: £2,500

The Black Horse Ltd.

The Black Horse, Dry Drayton

East of England

Award: £2,500

The Blundell Arms Community Pub Ltd.

Blundell Arms, Southport

North West

Award: £2,500

The Caverswall Community Society

The Auctioneers Arms, Caverswall

West Midlands

Award: £2,500

The Craufurd Arms Society Ltd.

The Craufurd Arms, Maidenhead

South East

Award: £50,000

Loan: £70,000

The Drayton Leonard Community Benefit Society Ltd.

The Catherine Wheel

South East

Award: £2,500

The Dyke Pub Preservation Society Ltd.

The Dyke Pub, Brighton

South East

Award: £2,500

The Erlestone Hub Ltd.

George and Dragon Pub, Erlestone

South West

Award: £2,500

The Gardeners Rest Community Society Ltd.

The Gardeners Rest, Neepsend

Yorkshire & the Humber

Award: £50,000

Loan: £50,000

The Harrow Pub (Stockbury) Ltd.

The Harrow, Stockbury

South East

Award: £40,000

Loan: £40,000

The Lamarsh Lion Community Pub Ltd.

The Lion, Lamarsh

East of England

Award: £50,000

Loan: £50,000

The Lord Nelson (Poppleton) Community Pub Ltd.

The Lord Nelson, Nether Poppleton

Yorkshire & the Humber

Award: £2,500

The Northumberland Arms Community Society Ltd.

The Northumberland Arms,

Stockport

North West

Award: £2,500

The Oak, Charing

South East

Award: £2,500

The Plough Community Benefit Society Ltd.

The Plough, Sheffield

Yorkshire & the Humber

Award: £2,500

**The Railway Inn (Yorton)
Community Venture Ltd.**

The Railway Inn, Yorton

West Midlands

Award: £2,500

**The Redgrave Community Benefit
Society**

The Redgrave

East of England

Award: £2,500

**The Saffron Walden Community
Pub Ltd.**

The Duke of Marlborough,
Somersham

East of England

Award: £47,500

Loan: £50,000

The Tree Community Ltd.

The Tree Public House

East of England

Award: £2,500

**The Wheel Inn At Bowling Green,
Pennington, Community Benefit
Society Ltd.**

The Wheel Inn, Pennington

South East

Award: £2,500

The Windmill Inn, Redmile

East Midlands

Award: £2,500

**Thwing & Octon Community Benefit
Society Ltd.**

The Falling Stone

Yorkshire & the Humber

Award: £2,500

Welland Pheasant Ltd.

The Pheasant Inn, Welland

West Midlands

Award: £2,500

**West Tilburys Kings Head
Community Pub**

The King's Head, West Tilbury

South East

Award: £2,500

White Lion Ash Community Pub Ltd.

The White Lion, Ash Magna

West Midlands

Award: £2,500

Whiteparish Community Pub Ltd.

The Kings Head, Whiteparish

South West

Award: £2,500

**Winterbourne Bassett Community
Pub Ltd.**

The White Horse Inn, Winterbourne
Bassett

South West

Award: £2,500

**Yarcombe Inn Community Benefit
Society Ltd.**

Yarcombe Inn

South West

Award: £2,500

Key Fund to enable them to make loans to Avon Dassett Community Benefit Society Ltd., Caverswall Community Society, Puzzle Hall Community Pub Ltd. and The Gardeners Rest Community Society Ltd.

Award: £210,000

CCF to enable them to make loans to Beckley and Area Community Benefit Society Ltd., The Crauford Arms Society Ltd., Red Grave Community Society, The Lanmarsh Lion Community Pub Ltd., Pebmarsh Friends of the Kings Head, The Saffron Walden Community Pub Ltd. and The Harrow Pub (Stockbury) Ltd.

Award: £360,000

Our partners, Key Fund and Co-operative & Community Finance (CCF) provide the loan element of a blended grant and loan package to pubs. These loans are made from grants which Power to Change makes to Key Fund and CCF, which are in turn funded from an expendable endowment which Power to Change received from the Ministry of Housing, Communities and Local Government in 2016. A condition of the grants to Key Fund and CCF is that the all money received when the loans are repaid, must be recycled within the community-owned pub sector and, if this is not possible, through the community business sector as a whole.

During the year, grants worth £13,315 awarded in previous years were withdrawn in this programme.

Trade Up Programme

Total awarded in 2017: £300,000

Our Trade Up programme delivered by the School for Social Entrepreneurs supports early stage community businesses to grow their traded income through a combination of a small grant and a group learning programme delivered in eight locations across the country. Community Business leaders attend study sessions and action learning sets during a six month period and can draw down up to £10,000 matched against increased trading over a 12 month period. 30 community businesses took part during 2017 and, towards the end of the year, we were recruiting a further 99 to attend in 2018.

The following awards (each of £10,000) were made:

Aspire Ryde	↔
South East	
Buzz Lockleaze	↔
South West	
Bee Urban	🌱
Greater London	

Bee Wirral	🗺️
North West	
Black Sheep Collective CIC	🧐
South East	
Chichester Community Development Trust	🚩
South East	
Do Little Solutions CIC	📦
Greater London	
Energise Barnsley	💡
Yorkshire & the Humber	
Forty Hall Community Vineyard	🌿
Greater London	
Friends of Hardie Park	🏠
South East	
Go Geronimo	❤️
East of England	
Green Elephant Co-operative	🗺️
North West	
Hill Station Community Café	🗺️
Greater London	
Hour Community	💬
East of England	

Hulme Community Garden Centre	🗺️
North West	
LALGRA	🗺️
Greater London	
Lordship Ecohub Co-operative	🗺️
Greater London	
Newcastle Wood Recycling CIC	🗑️
North East	
Riverside House	🗺️
West Midlands	
Sensoriel CIC	💬
North West	
Southport Contemporary Arts	🧐
North West	
spACE @ Hare Hill House – MoorEnd Development Trust	🧐
North West	
Stanley Events	📦
North East	
Stoneham Bakehouse CIC	🌿
South East	
The Bristol Bike Project	📦
South West	
The Exchange Creative Community CIC	🧐
North West	
The London Bike Kitchen	📦
Greater London	
Toast Love Coffee	🗺️
Yorkshire & the Humber	
Tunza's Pride	🗺️
North West	
Wylfe Coyotes Afterschool Club CIC	📦
South West	



Bristol Energy Network, Bristol

Empowering Places Programme

Total awarded in 2017: £755,061

The Empowering Places programme will harness the potential of places to increase opportunities to reduce poverty and equality through community business, by working closely with locally rooted catalyst organisations. Following on from learning grants made in 2016 the programme is now investing in seven urban neighbourhoods over a maximum of five years to accelerate the growth of community business and demonstrate the conditions required for community business to flourish in a place.

Abram Ward Community Charity

North West

Award: £99,836

Action for Business Ltd.

Yorkshire & the Humber

Award: £99,977

Centre4

Yorkshire & the Humber

Award: £100,000

Heeley Development Trust

Yorkshire & the Humber

Award: £10,000

Marsh Farm Futures

East of England

Award: £98,618

Health and Social Care Real Ideas Organisation

South West

Award: £149,270

The Braunstone Foundation (b-inspired)

East Midlands

Award: £98,960

The Wharton Trust

North East

Award: £98,400

Delivery grants

Total awarded in 2017: £852,245

Programme delivery grants are awarded to organisations that, in partnership with Power to Change, develop and deliver programmes that enable both parties to achieve shared outcomes and goals.

Co-operatives UK

Award: £51,656

Community Shares

Locality

Award: £201,681

Bright Ideas

Plunkett Foundation

Award: £177,324

More than a Pub

School for Social Entrepreneurs

Award: £421,584

Trade up



Porlock Futures CIC, Somerset



The Florence Institute Ltd., Liverpool

Research, Policy & Partnerships grants

Total awarded in 2017: £516,308

Most research commissioned by the Research Institute is procured from commercial providers. However, the Institute also issues a regular call for research proposals, which are grant funded, to help meet needs identified by others working with the community business sector. It also makes ad hoc grants to organisations with shared objectives.

Centre for Local Economic Strategies

Award: £27,350

In support of research into how anchor institutions can support community businesses

Community Investment Services Ltd.

Award: £4,000

In support of research into Community Investment Tax Relief

Forum for the Future

Award: £93,000

In support of an Inquiry into the Future of Community Business

Locality

Award: £45,000

In support of joint policy advocacy and the publication of guidance on community asset transfer

Locality

Award: £75,000

Contribution to core funding as part of a strategic partnership

New Economics Foundation

Award: £29,860

In support of research into community businesses operating in the social care sector

Plunkett Foundation

Award: £15,379

In support of the annual survey of community pubs and shops

Pro Bono Economics

Award: £30,000

Contribution to core funding as part of a strategic partnership

Rural Action Yorkshire

Award: £29,850

In support of research into the extent to which village halls operate as community businesses

UK Citizens Online Directory

Award: £62,544

In support of the development of a new open platform for registering assets of community value

University of Liverpool

Award: £29,425

In support of research into the community business sector in the Liverpool City Region, and its growth prospects

University of Middlesex

Award: £24,900

In support of research into community businesses operating in the health and wellbeing sector

University of West England

Award: £50,000

In support of a joint initiative to support collaboration between community businesses and academics. Co-funded by the Arts and Humanities Research Council

Total net grants awarded

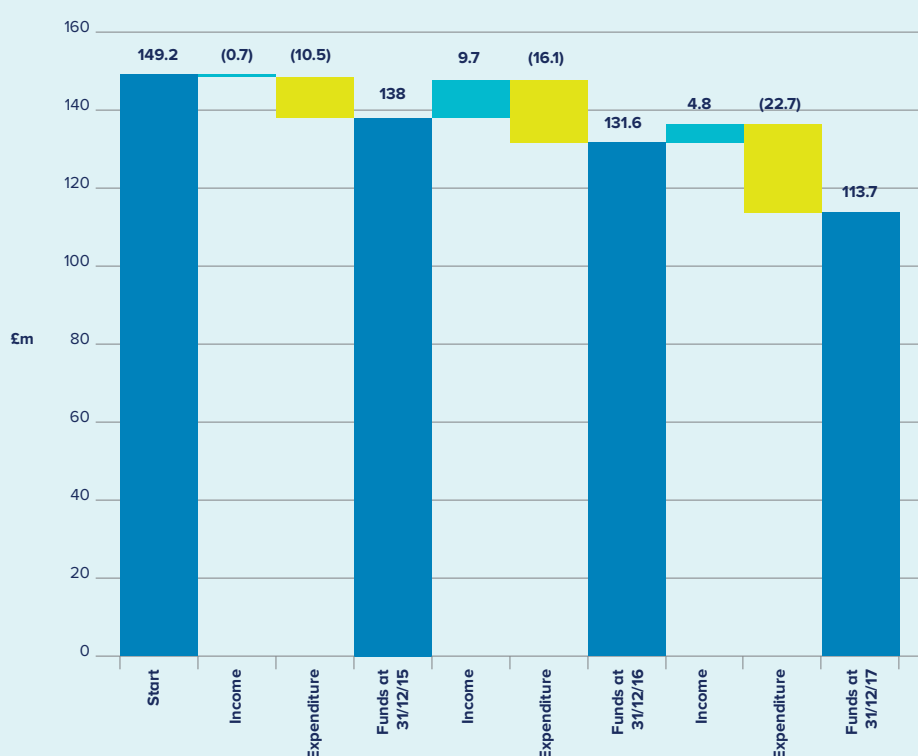
£16,679,161

In addition, £527,777 of direct staff and other costs and £382,709 of support costs were incurred so that the total expenditure on grant making in 2017 was: **£17,589,647**

Financial review

for the year to 31 December 2017

Funds flow over our first three years



Start

Endowment received from Big Lottery Fund on 21st January 2015

Income

Includes net gains and losses on investments and cost of raising funds

Expenditure

Expenditure on Charitable activities

Group Investments and Funds summary	2017 £'000	2016 Restated £'000
Growth portfolio	23,142	54,344
Reserve portfolio	59,778	44,952
Investments managed by Cazenove Capital Management	82,920	99,296
Investment – Community Owned Renewable Energy LLP	4,889	–
Lloyds Bank – Term deposits	32,013	28,503
Investments (see note 10 on page 67)	119,822	127,799
Net liabilities outside investment portfolio	(6,157)	3,850
Net assets	113,665	131,649
BLF expendable endowment (BLF capital fund)	112,435	129,849
MHCLG expendable endowment	1,230	1,800
Endowment funds	113,665	131,649
Total funds (see note 14 on page 70)	113,665	131,649

Investment Strategy

On 21 January 2015 Power to Change received an expendable endowment of £149,204,000 from the Big Lottery Fund to fund its activities supporting and developing community businesses over 7–10 years. The investment of this expendable endowment is managed mainly by Cazenove Capital Management who were selected through a competitive tender process.

The Trust's investment policy sets out the Trust's overall investment objectives, its attitude to risk, asset allocation, liquidity and other policy requirements. It is reviewed annually. Performance is measured against appropriate market benchmarks and indices and was historically targeted at CPI plus 2% over the life of the invested funds.

Investment restrictions include no direct exposure to companies manufacturing indiscriminate weapons or tobacco with indirect exposure in these areas limited to a maximum of 5%. Non-sterling investments are limited to 25% of the portfolio and exposure to direct short-selling is prohibited.

The investment policy targets total returns. It aims to achieve the best financial return within an acceptable level of risk whilst ensuring that the Trust has sufficient liquidity to meet medium-term expenditure commitments.

Two portfolios were created with the invested funds: Growth which targets long-term capital growth with an element of capital risk; and Reserve which invests in hold to maturity bonds and cash deposits, consequently with lower returns but minimal capital risk. Both the Growth and Reserve portfolios are managed by Cazenove Capital Management. In addition, some cash deposits are managed internally by Power to Change.

In November 2017 a decision was taken by the Trustees to sell the majority of the assets held in the Growth portfolio in order to lock in the strong performance of the Growth portfolio and to reduce the risk profile of the Trust's investments. Since inception in April 2015 the Growth portfolio had returned over 16% as so-called risk assets benefited from positive economic activity, strong corporate earnings and low interest rates.

As a result of this asset allocation decision, the proportion of funds invested in the higher risk Growth portfolio fell to 19% as at 31 December 2017 from 43% at the end of 2016; the proportion invested in the Reserve Portfolio increased from 35% in 2016 to 50%; and 27% was held in cash. In addition, £5,000,000 (4%) was held as an investment in Community Owned Renewable Energy LLP, a joint venture between Power to Change and Big Society Capital.

The Trust's investment policy permits investments up to 5% of its total portfolio in social investments, which can be exceeded only if expressly agreed by the Trust's Finance and Investment Committee.

The social investment of £5,000,000 in the year (and a further £5,000,000 committed) into Community Owned Renewable Energy LLP (CORE LLP) advances the Trust's charitable objects of both the promotion of sustainable development and the advancement of community development.

CORE LLP, which is a joint venture with Big Society Capital, aims to acquire six to eight solar farms over the next 12 months, alongside local community energy groups, with a view to maximising the benefit for the communities. The partnership will give the community groups up to three years to raise the funds necessary to fully transfer the ownership of the acquired solar farms into community hands.

Investment Performance

As noted in Note 10 of the accounts on page 67, at the start of 2017 the market value of the charity's invested funds stood at £127,799,000 and during the year £16,698,000 cash was transferred out of the investment portfolios (of which £5,000,000 was invested in Community Owned Renewable Energy LLP) and £2,020,000 of income was reinvested. However, gains on investments of £2,171,000 (offset by fees of £359,000)

meant that the market value of the charity's invested funds only declined by £7,866,000 in the year and thus its market value at 31 December 2017 was £119,933,000.

The Growth portfolio returned 6.8% in 2017, or £3,342,969 in absolute terms. From inception to 24 November 2017 (the point at which Growth was reduced) this portfolio returned 16.3% compared to 15.9% for its composite benchmark. All of the equity holdings were sold and the asset allocation of the portfolio at year end was as follows: global equities 0% (2016:49%); absolute return 78% (2016:33%), bonds 10% (2016: 12%); property 11% (2016: 5%) and cash 1% (2016: 1%). The market value of Growth at 31st December 2017 was £23,142,000.

The Reserve portfolio is designed to cover the medium term liquidity needs of the Trust and is therefore invested in low risk, low return assets, namely hold-to-maturity bonds and cash deposits. In 2017 this portfolio generated income of £228,680, a return of 0.5%. As at 31st December 2017, the market value of the Reserve portfolio was £59,778,000 with 7% invested in hold-to-maturity bonds (2016:52%) and the balance in cash.

In addition to the funds managed by Cazenove Capital Management, £32,013,000 in cash deposits is managed internally by Power to Change (2016: £28,503,000). These deposits earned interest of £148,000 in 2017.

Expenditure

As seen on page 61 total expenditure in 2017 amounted to £23,064,000 (2016: £16,438,000). Expenditure of grants in 2017 amounted to £17,590,000 (2016: £12,537,000), which was 76% (2016: 76%) of total expenditure. Grants awarded are listed on pages 22 to 41.

The costs of delivering these grants (excluding grants to delivery partners of £852,000; 2016 £222,000) was £2,004,000 (2016: £1,191,000), representing 9% (2016: 7%) of total funds expended. Grantee support as a percentage of grants awarded has increased to 11.4% in 2017 (2016: 9.5%) as more and smaller grant programmes came into operation. Expenditure on market development amounted to £1,278,000 (2016: £1,606,000) representing 6% (2016: 10%) of total funds expended. Market development has decreased year on year as fewer new grant programmes were developed in 2017.

Expenditure on research (excluding research, policy and partnership grants of £516,000; 2016 £105,000) amounted to £1,725,000 (2016: £754,000) representing 7% (2016: 5%) of total funds expended. This increase in expenditure in 2017 is due to a larger planned volume of research, policy and evaluation activity. There has also been a significant increase in Research Institute publications and engagement activity. Support and governance costs of £1,127,000 (2016: £1,031,000) represent 4.9% (2016: 6.3%) of total expenditure.

Funds

Income received from the expendable endowment received from the Big Lottery fund (BLF capital fund) is added to the BLF income fund and money is also transferred to the BLF income fund from the BLF capital fund to cover any shortfalls in that fund. £19,226,000 was transferred in 2017 (2016: £13,368,000). The balance on the Big Lottery capital fund at 31 December 2017 was £112,435,000 (2016: £129,849,000). The Trustee Directors do not consider that a particular level of such capital reserves is required. Budgeted expenditure for the forthcoming year is reviewed and approved on an annual basis.

In 2017 Power to Change received grants of £967,000 from the Ministry of Housing, Communities and Local Government. These were wholly spent in the year on the Bright Ideas Programme. At the beginning of 2017 there was a brought forward balance of £1,800,000 on the expendable endowment from the Ministry of Housing, Communities and Local Government relating to the Pubs Loan Fund. During 2017, 11 grants were awarded totalling £570,000 and at 31 December 2017 the balance on this fund was £1,230,000.

Fund movements are shown in Note 14 of the accounts on page 71.

Structure, governance and management

Charitable objects

The charitable objects of the Trust are set out in its governing document and include the following (which do not limit the Trust's overriding general charitable object):

- The relief of poverty and unemployment
- The advancement of education
- The promotion of the voluntary sector
- The advancement of citizenship or community development
- The promotion of sustainable development
- The development of the capacity and skills of disadvantaged groups in society
- Urban and rural regeneration in areas of social and economic deprivation
- The promotion of social and economic inclusion

The overall vision of Power to Change is 'better places through community business' delivered through a mission to 'back people to build successful local businesses for the benefit of their communities'. Funding is provided where a charitable purpose can be identified.

Governance

Power to Change Trust is a charitable trust, registered and incorporated in England and Wales (Charity Commission registration number 1159982) and is constituted under a revised trust deed dated 28 September 2016. The trust came into existence on 21 January 2015 upon receipt of the £149,204,000 endowment from the Big Lottery Foundation. It has a sole corporate Trustee – Power to Change Trustee Ltd. – a private company (company number 8940987) limited by guarantee.

A review of the new Charity Governance Code has been undertaken and the Trustee Directors have chosen to adopt and apply the Code. The Principles, Outcomes and Recommended Practices have been discussed and there is agreement that the Charity Governance Code is being applied.

With regard to review of the Board's performance, the Board and each of the Committees currently engage in and undertake an annual effectiveness review. As we approach the end of our first three full financial years, we will assess the incremental benefits of undertaking an external review of the Board's effectiveness.

Board members are directors of Power to Change Trustee Ltd. and are referred to as Trustee Directors throughout this report. At 31 December 2017 there were eleven Trustee Directors and they are listed on the next page.

New Trustee Directors are sought by open advertisement and undergo a rigorous interview process. The ultimate decision on selection is a matter for the Trustee Directors already in place. An operational and governance induction programme is in place.

New Trustee Directors are initially appointed to serve for three years after which they will be eligible for reappointment. The Articles of Power to Change Trustee Ltd. provides for a minimum of five Trustee Directors to a maximum of thirteen. The Trustee Directors agree the broad strategy and areas of activity for the Trust including

consideration of grant making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Chief Executive and her team.

In 2017 the board met six times. There are four sub-committees of the Board that oversee particular aspects of the Trust's work. All Trustee Directors give of their time freely and no Trustee Director remuneration was paid in the year.

The Board Grants Committee reviews the delivery, risks, success and impact of all its funding programmes. In addition, the Board Grants Committee also reviews one or two programmes in depth at each of its meetings, offering strategic input and constructive challenge to ensure each programme achieves maximum impact for communities. Six Trustee Directors sit on the Committee and it meets quarterly. All Trustee Directors and Community Business Panel members are welcome to attend meetings of the Grants Committee.

The Finance & Investment Committee oversees most financial aspects of the Trust in particular budgeting, financial and management reporting and investment. It formulates the Trust's investment policy, selects investment managers and monitors investment performance. Three Trustee Directors sit on the Committee and it meets quarterly.

The Audit & Risk Committee oversees all systems of control at the Trust including the annual audit and all its risk management processes. Two Trustee Directors and one person not otherwise associated with Power to Change sit on the Committee (Neil Spence) and it met three times in the year.

The People & Governance Committee oversees all people and governance matters at the Trust including composition of the Board, all policy and people related matters and the Trust's values. Three Trustee Directors sit on the Committee and it met three times in the year.

The table below shows Trustee Directors in post during the year and up to the date of signing of this report as well as the subcommittees of which those Trustee Directors are members.

Name	Appointed	Retired	Audit & Risk	Finance & Investment	Grants Committee	People & Governance
Leonie Austin	14 Dec 2017					
Sam Berwick	23 Jan 2015			✓		
Katie Blacklock	23 Jan 2015			✓	✓	
Peter Capener	19 Mar 2016	14 Dec 2017				
Stan Chan	23 Jan 2015		✓			
David Clarson	19 Mar 2016	19 Mar 2017				
David Godden	17 Mar 2014		✓		✓	✓
Ian Hempseed	19 Mar 2016					
Stephen Howard	17 Jan 2016				✓	✓
Dai Powell	14 Dec 2017				✓	
Jessica Prendergast	14 Dec 2017				✓	
Carla Stent	23 Jan 2015			✓	✓	
Christopher Stephens	3 Apr 2016				✓	✓

In addition, Neil Spence, who is not a Trustee Director, is a member of the Audit & Risk Committee.

Peter Jenkins was appointed as Company Secretary on 30 March 2017.

The Chief Executive and the rest of the Executive management team comprise the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. The Executive management team in 2017 comprised:

Vidhya Alakeson	Chief Executive
Mark Gordon	Director of Communications & Partnerships
Richard Harries	Director of the Research Institute
Peter Jenkins	Director of Finance and Operations
Kate Stewart	Director of Programmes

The pay of the Executive management team is reviewed annually by the People & Governance Committee. Their remuneration is benchmarked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Fundraising

The charity is aware of the recent changes to fundraising regulations and as it does not undertake fundraising activity, has nothing to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Reference details and details of advisors

Registered Office	The Clarence Centre, 6 St George's Circus, London SE1 6FE
Company number (of Power to Change Trustee Ltd)	8940987
Charity commission number	1159982
Protector	Susan Platts-Martin (retired December 2017) A new Protector is in the process of being recruited
Auditor	Crowe Clark Whitehill LLP, St Bride's House 10 Salisbury Square, London EC4Y 8EH
Bankers	Lloyds Bank, 125 Colmore Row, Birmingham B3 3SF
Investment Fund Managers	Cazenove, 12 Moorgate, London EC2R 6DA
Solicitor	Wrigleys Solicitors LLP, 19 Cookridge Street, Leeds LS2 3AG

Risk management

The Trust recognises that the effective management of risks is central to its ability to achieve its objectives and aims to anticipate and, where possible, manage risks rather than dealing with their unforeseen consequences.

The Trust has a five-step approach to risk: clarify objectives; identify risks to achieving objectives; assess and rate the risks; determine the appropriate response to each risk; and then finally reviewing and reporting those risks.

The Trust has also prepared and agreed a risk appetite statement that identifies its appetite for risk across all its areas of activity. For example, grant-making has a different appetite for risk (medium/high) compared to legislative/regulatory compliance where risk tolerance is zero.

Key risk review and reporting mechanisms at Power to Change are:

- **Risk Register and Matrix:** The risk register and matrix together form the Trust's primary mechanism for considering long-term risks. They identify all known long-term risks and assign them, according to their likelihood and impact, to both an individual Executive Director and a Board Committee. They are reviewed quarterly by the Management Team and annually by the responsible Board Committee, the Audit & Risk Committee and the Board.
- **Key Performance Indicators (KPIs):** Strategic objectives are identified annually, with associated KPIs. These are the tool by which the Trust measures its performance against identified short-term risks. They are reviewed quarterly by the Management Team and reported to the Board quarterly.
- **Management accounts, reforecast and budgets:** These identify and measure financial performance against financial objectives and the risks of not achieving them. Management accounts and reforecasts are produced quarterly and budgets are produced annually. These are reviewed by the Finance & Investment Committee and the Board.

The Trustee Directors have considered the major risks to which the charity is exposed and have satisfied themselves that systems or procedures are established to manage those risks. The most significant risks identified (after taking into account mitigating actions) are as follows:

Most significant risks	Mitigation
We fail to meet our public commitments to funding targets and timescales	Monthly programme reporting, quarterly delivery partner reviews and six monthly delivery partner meetings ensure that there are regular checks and they flag the need for any mitigating actions.
We fail to develop an exit strategy which ensure Power to Change's legacy	We will commission an external piece of work, including consultation, to identify options for Power to Change post 2022.
We do not follow our risk appetite framework	Our performance against our risk framework is reviewed annually by the Audit and Risk Committee. Programme reporting identifies and summarises risks early to enable risk taking with confidence.
We do not comply with data protection legislation	We will undertake an information audit to review compliance and ensure resource is in place to develop and implement an action plan. Training to be undertaken across the team and ongoing monitoring will be put in place.
Organisational change, required to deliver the business plan, is not well managed resulting in increased staff turnover and a lack of internal capacity	Staff roadshows and staff survey in place to highlight issues. Interim HR Director recruited in 2018 to manage and support change. Benchmarking of pay to be undertaken in early 2018 and pay policy to be reviewed and updated to support retention.
We are unable to demonstrate sufficient level of positive impact and change in the selected places we are focusing on in depth	We will ensure our strategy is based on our hypotheses and use regular reviews to assess progress and approach. We will use data to inform learnings and shape our approach and collaborate and share our progress with other funders.

Gender pay

Under new legislation, all organisations with over 250 employees must publish details of their gender pay gap as at April 2017. What is meant by gender pay gap is not the same as equal pay. Equal pay has been a legal requirement for almost 50 years and states that men and women doing work of equal value should be paid the same. Clearly, Power to Change complies with equal pay legislation. Gender pay gaps are generally driven by a different proportion of men and women at different levels in an organisation.

Power to Change does not have 250 employees but we take the gender pay gap issue seriously and so we have voluntarily decided to publish data about the difference between how much we pay our men and women. At April 2017, the median and mean male and female hourly earnings of PTC employees and the mean and median pay gaps by quartile were as follows:

Quartile	Mean male hourly earnings £	Mean female hourly earnings £	Mean Gender Pay Gap (%)	Median Gender Pay Gap (%)
Lower	20.88	20.90	-0.1	-0.7
Lower Middle	25.08	25.46	-1.5	-2.4
Upper Middle	36.15	35.91	0.7	-2.2
Upper	50.11	52.20	-4.2	2.4

This quartile data shows that we have very small gender pay differences in each of the quartiles, notwithstanding that these numbers can be skewed by a very small number of individuals and by the fact that those people who are based in London have London cost of living allowances. The mean difference in the upper quartile is impacted by the fact that our Chief Executive is female.

However, like many employers in the charity sector, Power to Change currently employs more women than men – at 30th April 2017 we employed 18 women and 8 men. Currently, the proportion of women to men in the bottom two quartiles is higher than in the top two quartiles and it is solely this which causes larger gender pay gaps when you look at our overall mean and median hourly figure, which are as follows:

	Male hourly earnings (£)	Female hourly earnings (£)	Gender Pay Gap (%)
Median	30.92	26.33	14.8
Mean	34.80	31.55	9.3

It should be noted that there is not an issue of having insufficient women in leadership positions at Power to Change. At both April 2017 and at April 2018, 50% of our Leadership Team were female and the majority of our Management Team (the Leadership team plus our functional heads) were female.

Although we are proud as an employer of our level of pay equality, we are not complacent and we will continue to monitor pay levels and practices to ensure that there is no gender bias. We are also looking more broadly at equality and diversity across the organisation to ensure we have inclusive policies and practices, on top of our existing flexible working and part-time working policies, such that we have, as far as possible, a broad and diverse workforce. We are also starting to consider how we can actively incorporate our thinking into the community businesses we support and the partners we work with.

Trustee Directors' statement of responsibilities

In respect of the Trustee's Annual report and the financial statements

Focus of the activities

The Trustee Directors have given due consideration to Charity Commission guidance on the operation of the public benefit requirement and are satisfied that the work of Power to Change Trust meets that requirement. The public benefit requirement is demonstrated through the charitable activities undertaken by the Charity as described on pages 2 to 41.

Responsibilities of the Trustee

The Trustee Directors are responsible for preparing a Trustee's Annual report and financial statements in accordance with applicable law and FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The law applicable to charities in England and Wales require the Trustee Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the Trustee Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities Statement of Recommended Practice;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee Directors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and disseminating of financial statements.

Approved by the Trustee Directors on 15 May 2018 and signed on their behalf by:



Stephen Howard,
Chair

Independent auditor's report

to the corporate Trustee of Power to Change Trust

Opinion

We have audited the financial statements of Power to Change Trust for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 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.

Independent auditor's report (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 50, the trustees 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 the parent charity'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 charity 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 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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. This description forms part of our auditor's report.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London

18 May 2018

Crowe Clark Whitehill LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated statement of financial activities

for the year to 31 December 2017

	Notes	Total 2017 £'000	Total 2016 £'000
Income and endowments from:			
Funding		967	1,850
Investment Income	2	1,942	2,670
Total		2,909	4,520
Expenditure on:			
Raising funds		356	350
Charitable activities:			
Grants awarded	7	17,590	12,537
Grantee support		2,004	1,191
Market development		1,278	1,606
Research		1,725	754
Share of Joint Venture loss		111	–
Total	3	23,064	16,438
Net gains on investments		2,171	5,524
Net expenditure		(17,984)	(6,394)
Reconciliation of funds:			
Total funds brought forward		131,649	138,043
Total funds carried forward	14	113,665	131,649

All amounts related to continuing activity and are restricted funds and all charitable activities are in relation to Power to Change programmes.

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

With respect to the expendable endowment received from the Big Lottery Fund (BLF capital fund) £19,226,000 was converted from capital to income (2016: £13,368,000), £356,000 was paid as investment manager's fee (2016: £350,000), £2,171,000 was the net gain on investments (2016: £5,524,000) and the carry forward balance of the endowment is £112,435,000 (2016: £129,849,000). With respect to the expendable endowment of £1,850,000 received from the Ministry of Housing, Communities and Local Government (MHCLG) in 2016, the carry forward balance was £1,230,000 (2016: £1,800,000). With respect to the grants of £967,000 received from the Ministry of Housing, Communities and Local Government (MHCLG) in 2017, the carry forward balance was Nil. Further details of the movements in funds are contained in Note 14.

The accompanying notes on pages 57 to 72 form part of these financial statements.

Balance sheets

as at 31 December 2017

		2017		2016
	Notes	Group £'000	Charity £'000	Charity £'000
Fixed assets				
Intangible assets	8	250	250	252
Tangible assets	9	46	46	25
Investments	10	119,822	119,933	127,799
		120,118	120,229	128,076
Current assets				
Cash at bank and in hand		3,219	3,219	10,251
Debtors	11	1,980	1,980	3,052
		5,199	5,199	13,303
Current liabilities				
Creditors: amount falling due within one year	12	(11,030)	(11,030)	(9,394)
Net current (liabilities)/assets		(5,831)	(5,831)	3,909
Total assets less current liabilities		114,287	114,398	131,985
Creditors: amount falling due after one year	12	(622)	(622)	(336)
Net assets		113,665	113,776	131,649
The funds of the charity				
Endowment funds	14	113,665	113,776	131,649
Total funds		113,665	113,776	131,649

Approved by the Corporate Trustee. Authorised for issue on 15 May 2018 and signed on behalf of the Trustee:



Stephen Howard
Chair

The accompanying notes on pages 57 to 72 form part of these financial statements.

Consolidated cash flow statement

for the year to 31 December 2017

	2017 £'000	2016 £'000
Cash outflow from operating activities		
Net expenditure including share of joint venture loss	(17,984)	(6,394)
Joint venture loss	111	–
Net expenditure before share of joint venture loss	(17,873)	(6,394)
Receipt of endowment fund	–	(1,850)
Gains on investments	(2,171)	(5,524)
Investment fees paid from capital	359	353
Depreciation of tangible and intangible fixed assets	146	79
Decrease in debtors	1,072	404
Increase in creditors	1,922	3,964
	(16,545)	(8,968)
Cash inflow from investing activities		
Receipts from sale of fixed asset investments	16,698	11,796
Investment income reinvested	(2,020)	(2,437)
Payments to acquire tangible and intangible fixed assets	(165)	(269)
Payments to acquire social investment	(5,000)	–
	9,513	9,090
Cash inflow from financing activities		
Receipt of endowment fund	–	1,850
(Decrease)/Increase in cash in the period	(7,032)	1,972
Analysis of changes in net funds		
Cash balance at the beginning of the period	10,251	8,279
(Decrease)/Increase in cash in the period	(7,032)	1,972
Cash balance at 31 December	3,219	10,251

Notes to the accounts

for the year to 31 December 2017

1. Accounting policies

Introduction

The financial statements have been prepared to give a true and fair view and follow 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.

In the application of the charity's accounting policies and the applicable Charity laws and regulations in England and Wales, the Trustee Directors are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

In the view of the Trustee Directors, no assumptions concerning the future or estimation of uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The Trustee Directors have considered appropriate budgets and forecasts and are not aware of any material uncertainties which suggest the group cannot continue as a going concern.

Power To Change Trust meets the definition of a public benefit entity under FRS 102.

Consolidated financial statements are prepared under the historical cost convention in pounds sterling which is considered to be the functional currency of the charity. The financial statements include the results of all material subsidiaries on a line by line basis and all material joint ventures on an equity accounting basis, after the elimination of relevant intercompany balances and transactions.

Income and endowments

Incoming resources are recognised in the period where the charity becomes entitled to the funds, receipt is probable and the amount can be measured reliably. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grant income is recognised in the statement of financial activities when received or when the charity becomes entitled to receipt. Grants that have been received are treated as deferred income where there are specific requirements in the terms of the grant that the income recognition is dependent on certain activities being completed in a future accounting period.

Notes to the accounts for the year to 31 December 2017 (continued)

1. Accounting policies (continued)

Fund accounting

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders' or donors' wishes. Grants from the Ministry of Housing, Communities and Local Government (MHCLG) were spent on the Bright Ideas Programme.

Endowment funds represent capital gifted in 2015 by the Big Lottery Fund (BLF) and in 2016 by MHCLG. Any unspent income arising from the BLF capital fund is added to the BLF income fund and the Trustee Directors may transfer amounts from the BLF capital fund to the BLF income fund to cover any shortfalls in that fund. The MHCLG endowment is expended as Power to Change's delivery partners on the More than a Pub programme make loans to pubs alongside grants made by Power to Change.

Expenditure

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

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

Grants payable are accounted for in full as liabilities when approved and notified to grantees because there is a valid expectation that they would receive the grant as offered and accepted.

The cost of those staff whose responsibility was the direct management and administration of an activity are apportioned based on time spent in undertaking that activity. The direct staff cost allocation for the period to 31 December 2017 was:

	2017	2016
– Grants awarded:	34%	35%
– Grantee support:	24%	23%
– Market development:	26%	29%
– Research:	16%	13%

Allocation of support costs

Support costs are those costs which enable the generation of funds and which enable charitable activities to be carried out. These costs include governance costs, finance, human resources and information technology. Support costs are allocated to each of the activities in the same proportions as the direct staff allocations above.

Raising funds

The costs of raising funds are the investment management fees charged by Cazenove Capital Management for managing the investment portfolios. Fees were charged quarterly and based on the daily average value of the portfolio over the quarter. Investment fees include VAT which cannot be recovered.

Notes to the accounts for the year to 31 December 2017 (continued)

1. Accounting policies (continued)

Governance costs

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

Pension

The charity operates a group personal pension scheme. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than the payment of those contributions.

Intangible fixed assets

Website development costs and customer relationship management software have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Amortisation is provided to write off assets on a straight-line basis over their estimated useful economic life:

- CRM software: 3 years
- Website: 3 years
- Application development: 3 years

The amortisation charge begins in the month of purchase and is included in charitable activities expenditure.

Tangible fixed assets

All assets costing more than £1,000 are capitalised and are carried at cost. Depreciation is provided to write off assets on a straight-line basis over their estimated useful economic life:

- IT equipment: 3 years

The depreciation charge begins in the month of purchase and is included in charitable activities expenditure.

Fixed asset investments

Fixed asset investments are a combination of bond, equity and fund investments plus cash deposits held in interest-bearing accounts and are reported at their fair values, being their market value, at the balance sheet date. Gains and losses arising on the disposal of investments and the revaluation to market value are charged or credited to the statement of financial activities in the year.

Notes to the accounts for the year to 31 December 2017 (continued)

1. Accounting policies (continued)

Social investments

Social investments are held at cost less any diminution in value unless the charity is able to obtain a reliable estimate of fair value.

Financial instruments

The charity has 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Instruments, held as part of a portfolio, are stated at fair value at the balance sheet date with gains and losses being recognised within income and expenditure.

2. Investment Income and other funding

	2017 £'000	2016 £'000
Investment income		
Fixed interest from bonds	532	1,218
Dividends from equities	614	744
Income from multi-asset funds	158	205
Income from property funds	114	133
Income from investment cash	486	334
Income from fixed asset investments	1,904	2,634
Bank interest on current accounts	38	36
Total	1,942	2,670

In 2017 grants totalling £966,660 were received from the Ministry of Housing, Communities and Local Government and was wholly spent in the year on the Bright Ideas Programme.

In 2016 an expendable endowment of £1.85 million was received from the Ministry of Housing, Communities and Local Government and can be spent at the discretion of the trustees for the benefit of the More Than a Pub programme.

Notes to the accounts for the year to 31 December 2017 (continued)

3. Expenditure allocation

	Charitable activities						
	Grants awarded £'000	Grantee support £'000	Market development £'000	Research contracts £'000	Raising funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs							
Direct grants awarded	15,311	–	–	–	–	15,311	11,363
Programme delivery	852	734	–	–	–	1,586	733
Programme and sector development	–	369	352	–	–	721	845
Research policy & partnerships	516	–	–	1,306	–	1,822	557
Communications programmes		156	186		–	342	178
Investment management fees	–	–	–	–	356	356	350
Direct staff costs (including contractors)	520	370	401	239	–	1,530	1,223
Legal costs	8	32	44	4	–	88	87
Depreciation	–	70	–	–	–	70	31
Other costs	–	–	–	–	–	–	40
Total direct costs	17,207	1,731	983	1,549	356	21,826	15,407
Support costs							
Governance costs (see note 4)	80	57	62	36	–	235	307
Support staff costs (including contractors)	144	103	111	66	–	424	400
Communications	6	4	4	3	–	17	–
IT and consultancy	43	31	33	20	–	127	124
Rent and office costs	84	60	65	39	–	248	152
Depreciation	26	18	20	12	–	76	48
Total support costs	383	273	295	176	–	1,127	1,031
Total expenditure (Charity)	17,590	2,004	1,278	1,725	356	22,953	16,438
Share of joint venture losses						111	–
Total expenditure (Group)						23,064	16,438
Total expenditure on charitable activities (Charity)				22,597			16,088
Share of joint venture losses				111			–
Total expenditure on charitable activities (Group)				22,708			16,088

Notes to the accounts for the year to 31 December 2017 (continued)

4. Governance costs

	2017 £'000	2016 £'000
Staff costs (including contractors)	163	213
Audit fees	15	17
Legal & other professional fees	17	51
Protector's fees & expenses	15	15
Trustee expenses	–	2
Trustee recruitment	25	7
Other	–	2
	235	307

5. Staff costs and numbers

	2017 £'000	2016 £'000
Wages and salaries	1,474	1,029
Social security costs	163	115
Employer pension contributions	59	41
Other employee benefits	18	7
Staff expenses	63	55
	1,777	1,247
Training	61	21
Contractor costs	206	505
Recruitment costs	73	63
	2,117	1,836

Notes to the accounts for the year to 31 December 2017 (continued)

5. Staff costs and numbers (continued)

The operating cost of the pension scheme during the period was £1,200 (2016: £1,200)

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

	2017	2016
Charitable expenditure	26	20
Governance	1	1
	27	21

The number of employees who received remuneration of more than £60,000 in the year was as follows:

	2017	2016
£60,000 – £69,999	3	3
£70,000 – £79,999	1	2
£80,000 – £89,999	1	2
£90,000 – £99,999	1	–
£100,000 – £109,999	1	–

Total key management personnel costs for the year (staff and contractors) were £582,017 (2016 restated: £721,921).

6. Trustees' remuneration, benefits and expenses

Trustees received no remuneration or reimbursement for travel costs in the year.

In 2016 four trustees received reimbursement for travel costs totalling £2,347.

Trustee recruitment costs during the year were £25,080 (2016: £7,200).

Notes to the accounts for the year to 31 December 2017 (continued)

7. Grants awarded

	2017 £'000	2016 £'000
Community Business Fund	8,145	8,241
Initial Grants Programme	230	1,110
Innovation and Infrastructure Fund	897	832
Blended Grants Programme	749	364
Peer Network Programme	465	276
Empowering Places Programme	755	194
More Than A Pub Programme	1,182	215
Community Shares Booster	650	81
Bright Ideas	1,274	–
Trade up	300	–
Community-led Housing Programme	664	50
	15,311	11,363
Grants to delivery partners	852	222
Research policy & partnerships	516	105
External grants awarded	16,679	11,690
Direct staff costs	520	426
Other costs	8	–
External grants and direct costs	17,207	12,116
Support costs	383	421
Total expenditure	17,590	12,537

Details of individual grants made within each of these programmes can be found on pages 22 to 41.

External grants awarded in 2017 are net of £13,315 of grants withdrawn (2016: £511,000).

Notes to the accounts for the year to 31 December 2017 (continued)

7. Grants awarded (continued)

	2017 £'000	2016 £'000
Grants due		
Balance brought forward	8,570	5,095
External grants awarded (2017 net of £13,315 grants withdrawn)	16,679	11,690
Amounts defrayed	(14,225)	(8,215)
Balance carried forward	11,024	8,570

8. Intangible fixed assets (Group and Charity)

	Software £'000	Website £'000	Application £'000	Total £'000
Cost				
Balance brought forward	87	83	157	327
Additions	–	–	124	124
Disposals	–	–	–	–
Balance carried forward	87	83	281	451
Amortisation				
Balance brought forward	26	29	20	75
Disposals	–	–	–	–
Charges for the year	29	28	69	126
Balance carried forward	55	57	89	201
Net book value				
Brought forward	61	54	137	252
Carried forward	32	26	192	250

Notes to the accounts for the year to 31 December 2017 (continued)

9. Tangible fixed assets (Group and Charity)

	Total £'000
Cost	
Balance brought forward	39
Additions	41
Disposals	–
Balance carried forward	80
Depreciation	
Balance brought forward	14
Disposals	–
Charges for the year	20
Balance carried forward	34
Net book value	
Brought forward	25
Carried forward	46

Tangible fixed assets relate solely to IT equipment.

Notes to the accounts for the year to 31 December 2017 (continued)

10. Fixed asset investments

Investment asset allocation	2017		2016
	Group £'000	Charity £'000	Charity £'000
Cazenove Capital Management:			
Fixed income investments	7,025	7,025	29,882
Equity investments	–	–	26,491
Multi-asset investments	32,062	32,062	24,599
Property fund investments	2,633	2,633	2,908
Cash and deposits	41,200	41,200	15,416
	82,920	82,920	99,296
Equity Investment:			
Community Owned Renewable Energy	–	5,000	–
Share of joint venture net assets	4,889	–	–
Lloyds Bank:			
Term deposits	32,013	32,013	28,503
Total investments	119,822	119,933	127,799

2016 figures exclude £148,000 within term deposits, now included in debtors.

Cazenove Capital Management charged fees quarterly based on the daily average value of the portfolio over the quarter. Investment fees include VAT which cannot be recovered. Their fees are 0.15% on the reserve portfolio and 0.45% on the growth portfolio.

The social investment in 2017 of £5,000,000 relates to Community Owned Renewable Energy LLP which is a joint venture with Big Society Capital. At 31st December 2017, Power to Change had a commitment to invest a further £5,000,000 into Community Owned Renewable Energy LLP.

Notes to the accounts for the year to 31 December 2017 (continued)

10. Fixed asset investments (continued)

	2017		2016
	Group £'000	Charity £'000	Charity £'000
Commercial investments			
Capital invested/(withdrawn) in the year:			
Cazenove Capital Management	(20,000)	(20,000)	(10,215)
Lloyds Bank	3,302	3,302	(1,581)
	(16,698)	(16,698)	(11,796)
Income reinvested	2,020	2,020	2,437
Management fees paid from capital	(359)	(359)	(353)
Gains on investment values	2,171	2,171	5,524
	(12,866)	(12,866)	(4,188)
Social investments			
Investment in community energy	–	5,000	–
Share of joint venture net assets	4,889	–	–
	4,889	5,000	–
Decrease in investments	(7,977)	(7,866)	(4,188)
Brought forward investments	127,799	127,799	131,987
Total investments at the end of the period	119,822	119,933	127,799

The Group's share of the income, expenditure, assets and liabilities of Community Owned Renewable Energy and its wholly owned subsidiaries (CORE Group) are:

	CORE Group £'000	PTC 50% Share £'000
Income for the period to 31st December 2017	3	1
Net loss for the period to 31st December 2017	222	111
Net assets at 31st December 2017	9,778	4,889

Notes to the accounts for the year to 31 December 2017 (continued)

11. Debtors (Group and Charity)

	2017 £'000	2016 £'000
Prepayments	472	273
Advances to intermediaries	799	2,181
Other debtors	709	598
	1,980	3,052

2016 figures include £148,000 previously included in investments (see note 10).

12. Creditors (Group and Charity)

	2017 £'000	2016 £'000
Due within one year		
Trade creditors	202	288
Grants payable	10,402	8,234
Accruals	365	400
Deferred income	–	423
Other creditors	61	49
	11,030	9,394
Due after one year		
Grants payable	622	336
	622	336

Notes to the accounts for the year to 31 December 2017 (continued)

13. Related party transactions

The related party transactions are those between group companies as follows:

Subsidiary (100% owned by Power to Change Trust): **PTC Renewable Energy Ltd** whose registered office is The Clarence Centre, 6 St George's Circus, London, SE1 6FE. During the year Power to Change Trust made an equity investment of £5 million into this company. For the period ended 31st December 2017, this Company had nil income and nil profit.

Joint Venture (50% owned by PTC Renewable Energy Ltd): **Community Owned Renewable Energy LLP (CORE LLP)** which has two wholly owned subsidiaries: **CORE Aries Ltd. (incorporated 24/11/2017)** and **CORE Newton Downs Ltd. (acquired 21/12/2017)**, all with registered offices at N201a Vox Studios, 1-45 Durham Street, London, SE11 5JH. During the year PTC Renewable Energy Ltd and Big Society Capital each made a capital investment of £5 million into this LLP.

For the period ended 31st December 2017, there was no intercompany trading between any of these entities or any of these entities and Power to Change Trust. At 31st December 2017, none of these entities had intercompany balances with Power to Change Trust.

14. Group funds

Allocation of assets by fund	2017			2016		
	Endowment Funds £'000	Other Restricted Funds £'000	Total £'000	Endowment Funds £'000	Other Restricted Funds £'000	Total £'000
Intangible assets	–	250	250	–	252	252
Tangible assets	–	46	46	–	25	25
Investments	114,933	–	114,933	127,947	–	127,947
Share of joint venture net assets	4,889	–	4,889	–	–	–
Current assets	–	5,199	5,199	3,702	9,453	13,155
Current liabilities	(6,157)	(5,495)	(11,652)	–	(9,730)	(9,730)
	113,665	–	113,665	131,649	–	131,649

The BLF income fund is only available to be used in accordance with the funding terms as set by the Big Lottery Fund and has therefore been shown as a restricted fund within these financial statements.

Notes to the accounts for the year to 31 December 2017 (continued)

14. Group funds (continued)

Movement in Group funds

Movement in 2017

	Balance c/f £'000s	Income £'000s	Expenditure £'000s	Gains/losses £'000s	Transfers £'000s	Balance b/f £'000s
Fund						
BLF expendable endowment (capital fund)	129,849	–	(359)	2,171	(19,226)	112,435
MHCLG expendable endowment	1,800	–	(570)	–	–	1,230
Endowment funds	131,649	–	(929)	2,171	(19,226)	113,665
Big Lottery income fund	–	1,942	(21,168)	–	19,226	–
MHCLG grant	–	967	(967)	–	–	–
	131,649	2,909	(23,064)	2,171	–	113,665

Movement in 2016

	Balance c/f £'000s	Income £'000s	Expenditure £'000s	Gains/losses £'000s	Transfers £'000s	Balance b/f £'000s
Fund						
BLF expendable endowment (capital fund)	138,043	–	(350)	5,524	(13,368)	129,849
MHCLG expendable endowment	–	1,850	(50)	–	–	1,800
Endowment funds	138,043	1,850	(400)	5,524	(13,368)	131,649
BLF income fund	–	2,670	(16,038)	–	13,368	–
	138,043	4,520	(16,438)	5,524	–	131,649

Notes to the accounts for the year to 31 December 2017 (continued)

15. Financial instruments (Group)

	2017				2016			
	Fair value £'000	Amortised cost £'000	Non- financial instruments	Total £'000	Fair value £'000	Amortised cost £'000	Non- financial instruments	Total £'000
Assets								
Intangible assets	–	–	250	250	–	–	252	252
Tangible assets	–	–	46	46	–	–	25	25
Investments	114,933	4,889	–	119,822	127,947	–	–	127,947
Cash at bank and in hand	–	3,219	–	3,219		10,251	–	10,251
Debtors	–	1,508	472	1,980		2,631	273	2,904
Liabilities								
Creditors: amounts falling due < 1 yr	–	(11,030)	–	(11,030)	–	(8,971)	(423)	(9,394)
Creditors: amounts falling due > 1 yr	–	(622)	–	(622)	–	(336)	–	(336)
	114,933	(2,036)	768	113,665	127,947	3,575	127	131,649

The income, expenditure and net gains and losses recognised in the statement of financial activities during the period to 31 December 2017 by category are shown below:

	2017			2016		
	Fair value £'000	Amortised cost £'000	Total £'000	Fair value £'000	Amortised cost £'000	Total £'000
Investment income	1,904	38	1,942	2,634	36	2,670
Investment management fees	–	(356)	(356)	–	(350)	(350)
Net gains on investments	2,171	–	2,171	5,524	–	5,524
	4,075	(318)	3,757	8,158	(314)	7,844

All financial instruments measured at fair value are stated at market price at 31 December 2017. No current financial instruments measured at fair value are unquoted. Total interest income for financial instruments is £524,028 (2016: £370,000).

16. Status of the Charity

Power to Change Trustee Ltd. (Co.No.8940987) is the corporate trustee of Power to Change Trust. The charity came into existence 21 January 2015 upon receipt of the endowment of £149 million from the Big Lottery Fund.

17. Capital Commitments

In the year, amounts contracted for but not provided in the financial statements for application development amounted to £23,471 (2016: £24,000).



power to
change

business in
community
hands

Power to Change

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