

number 31939R

EFJ LIMITED - EDGE FUND

(a registered society under the Co-operative and Community Benefit Societies Act 2014)

**UNAUDITED ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST JANUARY 2017

J LEE MANAGEMENT

65 Regents Park Road
Southampton
Hants
SO15 8PF

EFJ LIMITED - EDGE FUND

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INFORMATION

COMMITTEE OF MANAGEMENT:

CHAIRPERSON	Isis Amlak
TREASURER	Sophie Pritchard
OTHER MEMBERS	Nim Ralph Christina Fonthes

SECRETARY	Sophie Pritchard
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REGISTERED OFFICE	13-15 Stockwell Road London SW9 9AU
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REGISTERED SOCIETY NUMBER	31939R
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DATE OF INCORPORATION	14th January 2013
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ACCOUNTANTS	J LEE MANAGEMENT 65 Regents Park Road Southampton SO15 8PF
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BANKERS	THE CO-OPERATIVE BANK PO Box 101 1 Balloon Street Manchester M60 4EP
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ANNUAL REPORT OF THE COMMITTEE MEMBERS **FOR THE YEAR ENDED 31ST JANUARY 2017**

The committee members submit their annual report and the financial statements for the year ended 31st January 2017.

PRINCIPAL ACTIVITIES

Making grants to grassroots social change projects.
Developing and promoting new models of democratic grant-making.
Bringing people of different backgrounds together to learn about each other's issues and support each others work.

REVIEW FOR THE YEAR ENDED 31ST JANUARY 2017

GRANTS

Our sixth funding round completed in the 2016/17 financial year. The round 5 funding day took place in London 23 January 2016, agreeing grants of £40,000, just before the 2015/16 year end and there were still some grants to pay. Round 6 opened in May 2016 and the application deadline was extended and pot increased by £20,000 to a total of £60,000, in response to political events. This resulted in us receiving a massive 380 applications. The funding day took place in Manchester 1 October 2016. Total grants paid out in the financial year totalled £73,338.

FUNDRAISING

Donations received this year totalled £46,258. This included around 100 regular donors (bringing in around £19,000) and some larger one-off donations (totalling around £27,000). In the first few years of Edge Fund we received three large donations of around £80,000 - £90,000 which has sustained us until now and put us in the fortunate position of not having to focus too much on fundraising. However, this will now need to change.

INFLUENCING FUNDERS

In 2016, the Influencing Funders Group (Edge members Susan, Isis, Patrick and Rose, supported by input from other members and staff) presented the Edge Fund to influential funders in five major events and more than half a dozen individual meetings and articles. Two funders that we had worked with previously, **Heinz Endowments** and **Brixton Pound**, got in touch to say that they had been influenced by us to use our process as part of their grantmaking.

In the previous year (January 2016), Isis had facilitated a visit to London for Heinz Endowments, where they attended our funding day. They subsequently **donated \$5000** to Edge Fund, which we have used to support some influencing funders activities over the year.

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ANNUAL REPORT OF THE COMMITTEE MEMBERS **FOR THE YEAR ENDED 31ST JANUARY 2017**

REVIEW FOR THE YEAR ENDED 31ST JANUARY 2017 CONT.

INFLUENCING FUNDERS CONT.

We were represented at the **EDGE Funders Alliance** conference in the US by Rose in April 2017. At this, we met many like-minded funders, such as Pollination Project, who asked to be added to the 'other funders' page on our website, as well as taking part in sessions on alternative philanthropy.

We also attended an **EDGE Europe event** in Paris in June 2016, where Rose supported the session on setting up a new participatory grantmaking fund.

We were invited to present at an event for UK foundations titled '**Funding People-Powered Change**' in June 2016. This was an academic from the US, Hahrie Han, who was on a tour supported by ActionAid. Edge member Natasha Adams organised it, Rose presented on Edge Fund, and Edge member Susan Seymour attended.

Patrick attended the launch of the **Radical Renewable Art & Activism Fund** in July 2016, where they spoke of being inspired by seeing Sophie speak about Edge Fund.

Isis met with the **International Human Rights Funders Group** in New York in September 2016. They invited us to join, especially as they have a participatory grantmakers group, and agreed to waive our registration fees, so we joined later in 2016.

Rose went to a workshop in December 2016 where she presented on Edge to a group of funders and European civil society activists, where the intention was to look at new participatory funding models. Natasha then went to the follow-up workshop in January, to support the establishment of **a new participatory fund**. They were sponsored by EDGE members Open Society Foundation Initiative in Europe, Charles Leopold Mayer Foundation, Guerrilla Foundation and the European Cultural Foundation. Rose wrote a report for them on the December meeting, for which they **donated 200 Euros** to Edge.

In December 2016, Isis went to the **Global Summit for Community Philanthropy** in Johannesburg, sponsored by the Global Fund for Community Foundations. She presented a poster which she'd put together (showing our process and purpose), which we now use for other events.

While Rose was living in South Africa in January 2017 she attended a meeting in Johannesburg organised by **Civicus**, mainly for international funders (including government, corporate etc, not just foundations or community philanthropy). She gave the only formal presentation of the week, on the Edge Fund model as an 'alternative future'.

Isis has written an **article for Indie Philanthropy** website about Edge.

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ANNUAL REPORT OF THE COMMITTEE MEMBERS **FOR THE YEAR ENDED 31ST JANUARY 2017**

REVIEW FOR THE YEAR ENDED 31ST JANUARY 2017 CONT.

INFLUENCING FUNDERS CONT.

Susan and Isis met the **Joseph Rowntree Reform Trust** who were doing a review of the funding and wanted some input.

We also met with the **Seedbed Trust**, **Ben and Jerry's Foundation**, and the **Baring Foundation**.

At the end of 2016 we also spent a lot of time preparing for three major events happening in early 2017. We were asked to present at: the EDGE conference, the European Foundation Centre conference, and the Network for Social Change conference.

OUTREACH AND EVENTS

Our main outreach events are our funding days, fundraising workshops, occasional fundraisers and Forum for Radical Sharing, which aimed to bring groups together to share learning and create an environment that might support collaboration. We have run 3 Forums for Radical Sharing, in Manchester, London and Glasgow, and an evaluation was written up and shared with members in February 2016. No decision has been made as yet about the future of these events.

We held an application workshop in Glasgow 22 June. In May Natasha ran a session on fundraising at Campaign Bootcamp. Kwesi was also involved in Spark!, an event consisting of workshops and other sessions focused on social justice.

STAFF

Much of our resources go into supporting an accessible and democratic process. Our staff work hard to get word out across the UK and Ireland to various movements and groups, and support applicants to apply. We take time to check applications for clarity to ensure each applicant as fair a chance as possible at being successful. Applications are also categorised so that they first go to their relevant Community Committees (disability & health, LGBTQI+, low income/ working class, women/ oppressed genders, race & ethnicity, gypsy, traveller & Roma, migrants & refugees) and Advisory Groups (environment and political/ economic systems). Staff then support members to score applications, collate the scores, draw up short-lists and then organise the funding days, which also involves arranging travel for groups to attend. Staff are also responsible for recruiting and supporting new members.

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ANNUAL REPORT OF THE COMMITTEE MEMBERS **FOR THE YEAR ENDED 31ST JANUARY 2017**

REVIEW FOR THE YEAR ENDED 31ST JANUARY 2017 CONT.

STAFF CONT.

Another time-consuming part of our process is providing feedback to applicants who have requested it to guide their future applications. Part of being accountable and fair to applicants is taking the time to investigate and resolve concerns when groups feel their applications have not been given due consideration. This can be a lengthy process, often involving meeting the group.

We are committed to constantly evaluating and changing our processes, with input from both members and applicants. For example, this year, with fresh eyes from new staff, we developed a new application form and made changes to the questions to help guide applicants better.

This year was a steep learning curve. The staff were still relatively new in post, having started August 2015 with a lot to learn about the processes, values and membership. The Edge membership also had a lot to learn about employing staff and getting the balance right between working without hierarchy and providing guidance and direction. Jury service and bereavements also made it a difficult time personally for staff and in terms of managing workload. At the end of the year, after a full review of the staffing structure, we restructured to move from three 2-day a week regional organiser roles, to two 3-day roles with greater emphasis on administration and communications and fundraising.

MEMBERS

At the beginning of the financial year we had 105 members. However, many of these members joined some time ago and were not active. At the last AGM we agreed that we would formally ask members to confirm their membership each January to ensure that the membership was committed and to give us a clearer idea of who our members are. We did this for the first time in January 2017, with 35 members confirming their membership. At the AGM we also agreed that we would formally ask funded groups to assist with scoring applications in the next funding round, which takes pressure off us having to maintain a large membership but also ensures there is some healthy turnover amongst those scoring applications.

Members make up our Facilitating Group (FG), which takes care of work behind the scenes and keep things moving. The FG usually comprises between 6 and 8 people.

This year we agreed upon a new process for new member applications. Rather than new members doing a trial scoring exercise, which is time-consuming for new applicants and those supporting them, we agreed that they would instead take part in the next funding round but that their scores and comments would be checked by the FG before being accepted, in consultation with Community Committees and Advisory Groups as necessary.

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ANNUAL REPORT OF THE COMMITTEE MEMBERS **FOR THE YEAR ENDED 31ST JANUARY 2017**

REVIEW FOR THE YEAR ENDED 31ST JANUARY 2017 CONT.

MEMBERS CONT.

During the year the following members meetings took place:

- 26 March 2016 - Members meeting, London
- 28 April 2016 - Members meeting, Scotland
- 7 July 2016 - Members' working day in London - checking over applications
- 3 Sept 2016 - AGM and members meeting
- 1 October 2016 - Round 6 funding day, Manchester

GOVERNANCE AND THE COMMITTEE

Committee members are drawn from a wide background and are selected to ensure they bring relevant experience, skills, diversity and understanding to the discussions and decision making process of the committee. The committee meets formally on a regular basis to review the activities and the finances of the society and to ensure its effective management and governance. The key members of the committee have all served throughout the year and to the date of this report apart from the Society's treasurer. Stuart Field agreed to be treasurer at the annual general meeting held on 3rd September 2016 but then resigned immediately. During this financial year Sophie Pritchard, the Society's secretary, has also assumed the duties of treasurer. A new treasurer Didem Incegoz has been elected at the annual general meeting on 5th August 2017.

COMMITTEE'S RESPONSIBILITIES

The financial statements have been prepared in accordance with the society's rules adopted upon incorporation and in accordance with applicable law and regulations. The committee members are satisfied that the financial statements give a true and fair view of the state of affairs of the society and of its surplus or deficit at the period end.

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ANNUAL REPORT OF THE COMMITTEE MEMBERS
FOR THE YEAR ENDED 31ST JANUARY 2017

In preparing the financial statements the members are required to:

1. select suitable accounting policies and then apply them consistently
2. make judgements and estimates that are reasonable and prudent
3. state whether the policies adopted are in accordance with the appropriate SORP on Accounting Regulations and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and assume that the society will continue in business.

The members of the committee are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are responsible for safeguarding the assets of the society and hence for taking responsible steps for the prevention and detection of fraud or other irregularities.

SHARE CAPITAL

The society is limited by share capital. The liability of each member (35 in total) in the event of winding-up is limited to £1.

RESERVES POLICY

The society's policy on reserves is to keep £80000 to £100000 as a reserve fund which is sufficient to cover one funding round and the society's management and administration expenses for a minimum period of six months.

ANNUAL GENERAL MEETING

The annual general meeting was held and the accounts approved on Saturday 5th August 2017.

SIGNED ON BEHALF OF THE COMMITTEE:

DATE:

.....
SOPHIE PRITCHARD, SECRETARY

.....

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**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 2017**

<u>2016</u>			<u>2017</u>
		INCOME	
	115,115	Donations	46,258
	361	Investment Income	430
	<hr/>		<hr/>
115,476			46,688
		DIRECT EXPENDITURE	
	27,400	Grants Payable	73,338
	1,531	Outreach and Promotion	0
	647	Venue Hire	955
	3,860	Members Travelling and Subsistence	2,874
	<hr/>		<hr/>
33,438			77,167
<hr/>			<hr/>
82,038			(30,479)
		MANAGEMENT AND ADMINISTRATION	
	14,068	Staff Salaries	29,090
	320	Administration Expenses	543
	230	Governance Costs	0
	690	Professional Fees	990
	0	Bank Charges	0
	<hr/>		<hr/>
15,308			30,623
<hr/>			<hr/>
£ 66,730		SURPLUS/(DEFICIT) FOR THE PERIOD	£ (61,102)
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**BALANCE SHEET
AS AT 31ST JANUARY 2017**

2016		2017
		note
	CURRENT ASSETS	
244,374	Cash at bank	183,872
0	Debtors	0
<u>244,374</u>		<u>183,872</u>
	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2
<u>600</u>		<u>1,270</u>
<u>243,774</u>	NET CURRENT ASSETS (LIABILITIES)	<u>182,602</u>
	Represented By:	
	CAPITAL AND RESERVES	
176,939	Reserve funds brought forward	243,669
66,730	Surplus/(Deficit) funds for the period	(61,102)
<u>243,669</u>	Reserve funds carried forward	<u>182,567</u>
105	Share Capital	35
<u>243,774</u>		<u>182,602</u>

The financial statements were approved by the members of the committee on Saturday 5th August 2017 and signed on their behalf by:

SOPHIE PRITCHARD
Secretary

Committee Member

Committee Member

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NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST JANUARY 2017**

1) **ACCOUNTING POLICIES**

a) **Accounting Basis and Standards**

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the Co-operative and Community Benefit Societies Act 2014.

b) **Income**

Income comprises of donations and grants and is accounted for on a receivables basis.

2) <u>DEBTORS</u>	<u>2017</u>	<u>2016</u>
	0	0
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>
3) <u>CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2017</u>	<u>2016</u>
Accountancy Accrual	1,200	600
Members capital	70	
	<hr/>	<hr/>
	1,270	600
	<hr/>	<hr/>

4) **TRANSACTIONS WITH MEMBERS**

There were no transactions with members in the period.