

**Power to
Change**

Annual Report

For the year ended
31 December 2023

**Backing community business
from the ground up**



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About us

We back community business from the ground up. We turn bold ideas into action so communities have the power to change what matters to them.

We know community business works to build stronger communities and better places to live. We've seen people create resilient and prosperous local economies when power is in community hands. We also know the barriers that stand in the way of their success.

We're using our experience to bring partners together to do, test and learn what works. We're shaping the conditions for community business to thrive.

Message from the Chair and Chief Executive Officer

During 2023, we took stock of our investment to date in community businesses and the financial leverage that has enabled. We are proud to report that, **since 2015, £45m of Power to Change funding has contributed to bringing in an additional £209m to community business in England. This has been in the form of additional grants, community shares, crowdfunding, government funds, refinanced debt, social investment and co-funding. This means that for every £1 invested by Power to Change, an additional £4.68 has been leveraged into the community business sector.** In 2023, we continued to deliver varied and impactful direct support to community business, all the while reorienting our organisation, so it is fit for the future.

Supporting and backing community business in 2023

Looking back over 2023, it's clear that, while community businesses and the communities they serve were coming out of the challenges of the Covid period, the global energy crises and associated cost of living squeeze in the UK were still very much impacting day to day lives and business prospects. For Power to Change, this meant focusing on how we support community businesses to transition and rebuild, and working alongside them to showcase and demonstrate their impact.

In late 2022, we launched our Resilient Communities Fund, providing immediate support to alleviate the energy and cost of living crises for community businesses. During 2023, we followed this with a longer-term investment in the Energy Resilience Fund, funded in partnership with the Access Foundation, Big Society Capital and Barrow Cadbury Trust. This Fund provides finance to enable community businesses to future proof their buildings by retrofitting energy generating or energy saving technologies.

Our Powering Up programme offered flexible and targeted support to community business leaders and their teams, aiming to strengthen their capabilities over a 12-month period. The programme provided access to specific technical expertise as well as professional development and wellbeing support, with each support package tailored to address the unique circumstances and needs of each community business. Crucially, this support was brokered and supported by experienced community business peers, an approach that we have seen work well over the years.

We continued to provide innovative, tailored finance options for community business. Our partnership with the Dulverton Trust saw us jointly funding Trade Up, a successful programme that helps to build resilience through incentivising trading activity. We made our final investments in Crowdmatch, a programme that enabled community businesses to raise funding and garner support from local communities. Every £1 Power to Change invested in a Crowdmatch campaign resulted in community businesses leveraging over £5 in additional funding, and we have been sharing our learning about this approach with others. The Community Shares Booster Fund supported 80 community businesses during 2023, with every £1 invested by the Booster Fund leveraging £9.30 from community investors. We were also pleased to see that the pre-grant support we offered as part of the Booster Fund has helped to develop a more diverse pipeline, bringing in marginalised community businesses.

Across 2023, we began to shift our focus towards making the case for community businesses, working alongside them to shape the conditions for them to thrive. We continued to back the community business-led *We're Right Here* campaign, which has secured support from across the political spectrum for legislative changes that would enable greater community ownership of assets and community powers over decisions that affect people's lives. Two new reports during the year highlighted the role that communities want to play in the Government's levelling up agenda, and in driving high street revival. We piloted the first Community Improvement Districts in England, drawing lessons from the success of the Scottish model and directly working with community businesses, local authorities and Business Improvement Districts in England to trial this new approach to community involvement in town centre renewal, and share our experiences with policymakers at all levels of government.

Our partnerships with regional authorities in North of Tyne and the West Midlands were further strengthened in 2023 through the creation of jointly-funded posts that have brought vital capacity to our work developing and implementing growth strategies and regional investment funds, in partnership with community businesses. For example, in the West Midlands Combined Authority area, we secured £2million from the Commonwealth Legacy Fund to fund social economy growth activities, including community business clusters, while in North of Tyne £4million of flexible repayable finance has been unlocked for community businesses in the region. In Liverpool City Region, where our joint venture Kindred continues to go from strength to strength, we worked with the combined authority and other partners to scope a social investment Pathfinder for the region.

At the close of the year, we were thrilled to complete the much-anticipated transfer into community ownership of 8 solar farms to 5 community businesses. These solar farms were first purchased by Power to Change as part of Community-Owned Renewable Energy (CORE), an innovative joint venture with Big Society Capital in 2017 in order to secure these assets for community ownership in the longer term. Now, 36MW of solar energy production is in community ownership, adding 20% to the total of community-owned solar production in England and Wales. Like many other community businesses, these community-owned assets are generating economic and social benefit. These assets will generate around £20m of surplus funds over the lifetimes of the solar farms, which will be invested back into local community projects.

Evolution and a look ahead

Alongside all of this vital work, we consulted wide and deep with community businesses and the external world to see whether and how we should continue to back community business. This process led us to conclude that we are sticking around for the long-term, that we need to re-ground ourselves in community business and work alongside them to achieve change. It led us to refresh our purpose, with our focus now on shaping the conditions for community business to thrive.

2024 will be the year we put this into practice. We know community business works to build stronger communities and better places to live. We've seen people create resilient and prosperous local economies when power is in community hands. We also know the barriers that stand in the way of their success. So, we will focus using our experience to bring partners together to do, test and learn what works and use this to back community business from the ground up.

Tony Burton



Tim Davies-Pugh



Our vision, purpose and values

Our vision

More communities in England run businesses that give them power to change what matters to them. They create more resilient places that are better to live and work in for everyone.

Our purpose

Our purpose is to shape the conditions for community business to thrive.

This will mean using the experience and connections we have built up to push for change that will help community businesses overcome the barriers to their success and help communities to start and grow community businesses.

We want to shape the conditions that will deliver an impact larger than that which we could achieve through direct funding or support. We will do this in a way that both delivers benefits for individual community businesses that we work with, through demonstrator projects or joint advocacy work, and benefits the wider movement of community business as we draw on these individual businesses to make a strong case.

Living our values

Open

We will seek partners and allies beyond the community business sector to better help the community business model go mainstream. And we will be open about our learnings as we test and discover new approaches to community-led resilient places.

Informed

We will continue to work closely with community businesses and be informed by their lived experience and needs. We will approach new challenges with fresh eyes and take an evidence-led approach before rolling out solutions.

Collaborative

We will continue to work with existing partners, and identify new ones, drawing on each other's skills to achieve what we cannot do alone.

Bold

Our plans are ambitious. We will continue to enter markets where we see community businesses could thrive and speak boldly to decision makers on their behalf.

Authentic

We integrate the priorities that we have for community businesses into our own practice. We aim to advance dignity, justice and belonging in our own organisation. We aim to become climate positive, we are actively embracing digital transformation, and we are continuously building our own capabilities in many areas.

Principles

How we work at Power to Change is driven by our principles. We believe in backing innovative and exciting approaches, and we are committed to learning and reflection. We believe in openness and working with others, and this is demonstrated through our commitment to diversity, equity and inclusion.

Most importantly, we believe in being grounded in community business, which helps us stay true to our purpose of shaping the conditions for community business to thrive. To ensure we remain grounded in community business we keep community businesses at the heart of all we do; we nurture open, trusting and reciprocal relationships with a diverse range of community businesses; and we include community businesses in our decision-making and governance.



Our 2024 priorities

WHEN YOU BORROW?

Rent items for DIY, cleaning, gardening, events & more

Explore the Things

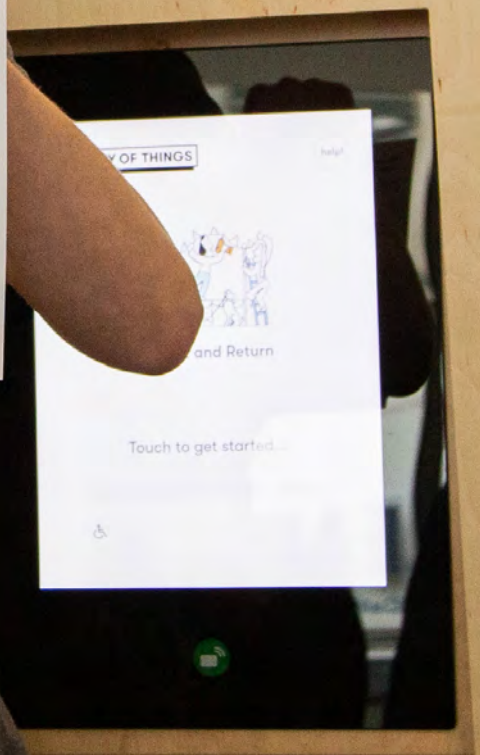
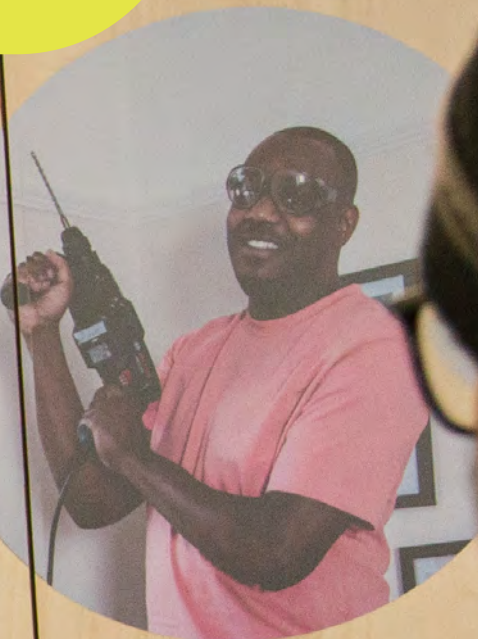
Regular price / Discounted price (over 2wks)	
Screwdriver £10.00 / £5.00	Circular Saw £10.00 / £5.00
Recycling Bin £10.00 / £5.00	Spare Part £10.00 / £5.00
Wet/Dry Vacuum £10.00 / £5.00	Angle Grinder £10.00 / £5.00
Pressure Washer £10.00 / £5.00	Hand Sander £10.00 / £5.00
Electric Drill £10.00 / £5.00	Tape Cutter £10.00 / £5.00
Paint Roller £10.00 / £5.00	Saw Blade £10.00 / £5.00
Screwdriver £10.00 / £5.00	Screwdriver £10.00 / £5.00
Screwdriver £10.00 / £5.00	Screwdriver £10.00 / £5.00
Screwdriver £10.00 / £5.00	Screwdriver £10.00 / £5.00

All our things are insured, inspected weekly, plus we're on the end of a telephone if you have a problem.

We're on a mission to make borrowing better than buying

Since 2018 with over 100,000 items, we're on a mission to make borrowing better than buying

Don't forget to return items, it's all part of the mission



KILBURN LIBRARY OF THINGS

Things on

We've partnered with eStreet to deliver useful Things you need for your home, projects and adventures - right to your door in Kilburn.

eStreet can deliver your Things to your door in Kilburn. Book online via our website or app.

How it works

Collect items from the locker

Living our purpose

In the second half of 2023, we worked to develop and refine our business model so that we can continue to support community businesses now and in the future. We were established in 2015 with an endowment from the National Lottery Community Fund – since then we've directly supported hundreds of community businesses across England.

We've also developed a strong track record of using our funding and interventions to shape the conditions in which community businesses operate. We have worked to achieve policy change, partner with local and regional authorities and shape the funding and finance available to community businesses.

With a refreshed purpose focused on shaping the conditions for community businesses, we have built on that track record and continued our evolution to become the organisation we are today.

This year and beyond, we will seek to have impact across three themes –build community power, finance the future economy and take back the high street. These exciting workstreams bring together our 'doing' and 'thinking' – on-the-ground interventions alongside community businesses and our work to shape the conditions in which community businesses operate.

What these themes mean in practice

Build community power

We know community businesses are often working in spite of the system and they need to be given the powers to realise their ambitions. This theme continues work we have been leading for a number of years, working alongside community business leaders. There is a focus on policy and legislative change, such as through our work with the We're Right Here campaign, but we will also be developing ideas for demonstrators (e.g. building on our successful Community Improvement District pilots).

Finance the future economy

We know the current finance landscape doesn't meet community business needs and we have the track record and knowledge to convene others and make the case to change it. This theme brings together our history of innovation in finance for community business (Community Shares, incentivised grants, blended finance, social economy funds like Kindred) and the knowledge we have gained through that work, with newly developed clear finance-related recommendations for funders and central and regional government.

Take back the high street

We were instrumental in creating this opportunity area for community business. We know they can and do transform high streets and town centres, driving regeneration. This theme builds on our existing reputation, in an area where we can use the lens of the high street to make arguments about empowering communities, putting assets in community hands, and the economic contribution that community business makes.

Our impact

Since 2015, [£45m of Power to Change's funding has contributed to bringing in an additional £209m](#) into the community business sector. This has been in the form of additional grants, community shares, crowdfunding, government funds, refinanced debt, social investment and co-funding. This means that for every £1 invested by Power to Change, an additional £4.68 has been leveraged into the sector.

Priorities

Our 2021–5 strategy sets out our three priorities:

- Putting community businesses at the heart of a fairer economy
- Making community businesses more resilient
- Ensuring a more diverse, equitable and inclusive sector

These priorities have helped focus and shape our work in 2023.



The year in numbers

182

community businesses directly supported in 2023

£1.3m

paid in direct grant funding to community businesses in 2023.

£4.68

For every £1 invested by Power to Change, an additional £4.68 has been leveraged into the sector.

3,000⁺

new followers across our social media channels

36MW

of solar farms transferred into community ownership through CORE, adding 20% to the total of community owned solar assets in England and Wales.

40

new research, policy, and evaluation reports

57,000⁺

visits to our website

61

pieces of media coverage

49%

of all community businesses funded in 2023 are based in the 30% most deprived areas (IMD 1-3).

11,000

community businesses in England, with a combined total income of just under £1 billion, employing 41,800 people and working with 126,000 volunteers.*

Our impact: community businesses at the heart of a fairer economy

Making the Case for community business

Our manifesto at the party conferences

In autumn 2023, Power to Change published its Manifesto for the Age of Localisation. This was designed to coincide with a strong presence at the Conservative, Labour and Liberal Democrat Party conferences. At these events, both Power to Change staff and community business leaders made the case for policy to support the community business sector. At one such event, referring to Annoushka Deighton, community business leader at Stretford Public Hall, the Shadow Minister for Devolution Paula Barker MP said: "I've shared a panel with many people this week, but you have really touched my heart." The Manifesto continues to frame our influencing with community businesses in the run up to forthcoming General Election.

We're Right Here campaign

At the beginning of the year, the Leader of the Opposition announced a Take Back Control Bill containing much of the campaign's language as testament to how the campaign has kept community power high on the agenda. The campaign's presence, and the focus it brings to the community sector with shared policy calls, helped to assist with a Community Right to Buy remaining Labour Party policy despite a change in the Shadow Levelling Up team. Alongside this the campaign has had success with Conservative-led councils and received a warm reception from Liberal Democrat frontbenchers and the team who wrote the party's manifesto.

New original research with More in Common

During spring and summer 2023, we undertook a major [new piece of research with More in Common](#), combining focus group work, polling and policy research. The work made the case for putting communities in the driving seat of levelling up, and secured coverage on the [BBC News Website](#) and Radio 4's Westminster Hour.

Growing regional social economies

In 2023 we continued working in partnership to support the growth of thriving regional social economies.

Our jointly-funded roles at combined authorities in the North of Tyne and West Midlands brought vital capacity to our working in partnership with local community business. In the West Midlands, Power to Change's investment in this joint capacity helped secure £2million from the Commonwealth Legacy Fund to fund social economy growth activities, including community business clusters. In the North of Tyne, £4million of flexible repayable finance has been unlocked for community businesses in the region.

We are also collaborating with the combined authority and other partners in the Liverpool City Region to scope a social investment Pathfinder for the region, building on the pioneering work of Kindred. 2023 saw the [launch of research](#) co-funded by Power to Change proposing a Liverpool Assets Holding Company within the Pathfinder to support increased community ownership of assets in the region.



“

Without community buy-in, our town centres cannot thrive. Indeed, I am a fan of ideas such as the creation of a high street buy-out fund to help communities to purchase empty property on high streets, along with a specific business rates relief for regulated socially trading organisations.

– Jo Gideon, MP for Stoke-on-Trent Central

”

Taking back the high street

Community improvement districts

In 2023, Power to Change continued to support the development of the Community Improvement District model in seven places across England, including two places in London in partnership with the Greater London Authority's High Streets for All Challenge. Funding and support was provided to local partnerships, enabling them to explore collaborative ways of working and developing a shared vision for their town centres. We published interim and final reports outlining the lessons drawn from the programme, which we believe helped shape the government's approach to its High Streets Accelerators and their £1bn Long-Term Plan for Towns.

Platform Places

We continued to work with Platform Places, an organisation we helped found. In 2023 we provided grant funding to support work focused on building new Local Property Partnerships in places across England, with significant progress made in Wandsworth, Bristol and Kilburn.

New research and policy recommendations

In May 2023, we published new and original research on high streets. [Our Community-Powered High Streets research](#) looked at international approaches to high street regeneration and laid out new policy solutions to support community-led high street renewal. The contents of this research have since been used by MPs in parliamentary debates on high street renewal.



Reflecting on our work in places

Our groundbreaking [Community Life Survey Hyperlocal Booster](#) report utilised an innovative and robust evaluation approach with a view to conducting three waves of boosted samples of the Community Life Survey in the six hyperlocal places that make up our Empowering Places programme. The results showed that the Covid-19 pandemic and subsequent economic challenges have had a significant impact on people's health and wellbeing, employment, and volunteering opportunities, as well as their perspectives on their local areas. However, between 2018 and 2022, residents in places supported by Power to Change's Empowering Places programme experienced greater resilience and less adverse impact on their wellbeing compared to similar areas across the country.

Our publication combined the results from the statistical difference-in-difference analysis by Verian Group with insights and real-life examples from community businesses involved in the programme. One community business said: "It [the report] looks really good! The additional data analysis and insight brings [the findings] to life and highlights some really positive aspects." A member of the Community Ownership Fund Evaluation Steering group shared feedback that "this will be really useful in informing our thinking".



Our impact: making community businesses more resilient

Building resilience through Trade Up

Trade Up is a grant and learning programme that helps to build organisational resilience by increasing trading income and building the entrepreneurial mindset of community businesses. In 2023, the programme was co-funded by The Dulverton Trust. This partnership was a success, and by the end of 2023 there was an agreement in principle between Power to Change, The Dulverton Trust and The National Lottery Community Fund to support community businesses in 2024 and beyond. This helps to ensure there are more funders supporting community businesses and reduces dependency of the programme on PTC funding alone.

Investing in community climate action

In 2023 Power to Change invested in community climate action. Community businesses are crucial agents of change in combatting the climate challenge. Despite the barriers they face, these enterprises are already at the forefront of climate action, while simultaneously bolstering and building resilience in local economies and fostering improved social outcomes in their communities.

“

Trade Up allowed us to think outside the box, step back and consider how we could serve more people in our community, more efficiently

– Nikki Casey, Creating Community Space Co CIC (2022 participant)

”

CORE & Next Generation Innovation

CORE is a social investment partnership that brings existing solar farms into community ownership to deliver lasting community benefits. At the end of 2023, CORE successfully transferred 36MW of solar farms into community ownership. Adding 20% to the total of community owned solar in England and Wales, CORE is the largest ever transfer of community assets in the UK. The solar farms are set to generate around £20m surplus funds over their lifetimes which will be invested back into local community projects, providing long-term benefits to help fight climate change.

Power to Change continued to provide support to the five community energy groups involved, as they raised significant funds from individual investors across the UK and established a new collaborative partnership under the name Community Energy Together.

Energy Resilience Fund

Developed after the success of our Resilient Communities Fund in 2022, the Energy Resilience Fund provides blended finance for community businesses to retrofit their community assets, reducing both environmental impact and energy costs. Power to Change provided part of the grant element, and the fund is also funded by Access, Big Society Capital and Barrow Cadbury. There were 23 energy audit grant awards in 2023 and one investment made. The majority of the £1,000,000 of investments are anticipated to be awarded in 2024.

Growing community tech

More and more community businesses are creating their own technology. From adapting existing digital products, to building brand new hardware and software, community businesses are making technology that local people can hold to account, delivers local benefits, and that fully meets their needs. Through two programmes, Power to Change supported community business develop the skills and access the tools needed to develop in this space.

The Makers and Maintainers programme enabled and encouraged community businesses to develop their own software (and hardware) to help them meet community needs. The programme offered a £40,000 grant and support to develop a community of practice and open working.

The Discovery Fund supported 20 community businesses to explore a challenge they'd identified, and learn the processes and skills needed to think about how to design a community tech solution. The grantees were offered free training on working in the open (sharing your learning so that others can benefit) and a place in our community tech community of practice.



Our impact: a more diverse, equitable and inclusive sector

Boosting community share offers

The Community Shares Booster Fund supported 80 community businesses in running community share offers. Support was provided at various stages of the pipeline, with pre-grant support, development grants and equity all being available through the Booster Fund. The pre-grant support in particular – 21 awardees in 2023 – helped to develop a pipeline of more diverse and marginalised community businesses in the community shares market.

For every £1 invested by the Booster Fund, £9.30 was leveraged from community investors. 27 community shares practitioners were trained in 2023, ensuring there are more advisors in the sector to support share offers.

“Having the investment and support from the Booster Fund to help make the first acquisition has been transformative. We’re really grateful for that support.”

– Stokes Croft Land Trust, received grant and matched investment on the Booster Fund (2023)

“

Up until this point, we’d done things on a shoestring and were relying on money the committee had loaned to the operation. Getting the development grant meant we could pay for professional help to make sure the share offer document was as good as it could be

– York Supplies, received grant and matched investment on the Booster Fund (2023)

”

Powering Up community businesses

Powering Up offered flexible and targeted support to community business leaders and their teams, aiming to strengthen their capabilities over a 12-month period. The programme provided access to specific technical expertise as well as professional development and wellbeing support. Each support package is tailored to address the unique circumstances and needs of each community business, ensuring that they receive the most relevant and impactful assistance in order to meet their own individual objectives.

Grantees worked with Community Business Connectors who are experts in the community business sector, with extensive experience working within the sector themselves. Community Business Connectors were supported by Leads – either experts in digital technology or climate and sustainability. The three parties – community businesses, connectors, and leads – worked together to find the most effective solutions to the challenges facing the community, and found providers suited to support and deliver the necessary support or solution.

“This programme has given us a leap forward and the confidence to push on, leading to sustained improvements in how we operate.”

– Powering Up grantee



“

[Connector] Steve Conway played an instrumental role during our Powering Up journey, demonstrating exceptional business insight and cultural sensitivity from the outset [...] Steve’s contribution to our organisation has been nothing short of transformative, underscoring his unparalleled commitment to fostering growth and change within underserved communities

– George Imafidon MBE, CEO of Motivezcic

”

Leading the Way in the North East and Yorkshire and the Humber

A leadership-focused learning and grant programme, Leading the Way was funded in partnership with Virgin Money Foundation. It supported people running community businesses in the North East & Yorkshire and the Humber.

In June 2023 round one of Leading the Way concluded, having supported 18 community business leaders across an 18-month programme comprising in-person learning and networking, mentorship, coaching, and a flexible and tailored personal and organisational development budget.

In July 2023 round two of the programme launched to support 18 community business leaders. Offering a compressed 9-month programme, it retains in-person learning, mentorship, and a flexible and tailored grant for personal and organisational development.



“

Previously I didn't see myself as a leader, I thought this was someone wearing a suit, sitting in a big office. Leading the Way has not only helped me view myself as a leader but also helped shape the type of leader I want to be.

– Leading the Way grantee

”

Equity in our research and impact

From our grant practices, recruitment of staff, through to the language we use to describe the people we support, we have been actively working to become more diverse, equitable and inclusive. One crucial step we have taken is to get a wider picture and robust evidence base of the diversity of the community business sector including those we support and other organisations we work with.

We commissioned Spark Insights, with Locality, to research and explore the experiences of community businesses and organisations led by and/or supporting people experiencing marginalisation, in terms of their barriers as well as potential solutions to accessing funding and support. [This research](#) gave us important and significant insight about how we, and others, can do better in removing barriers to supporting these community businesses. One of the recommendations was for us to provide more grants to early-stage organisations and look at being more flexible with our definition of 'community' and being 'locally rooted'.

Two of our funding programmes, Community Business Trade Up and Makers and Maintainers, part of our Community Tech offer, recently outlined how they addressed these and other recommendations directly by loosening our community business definition to include applicants showing the right 'direction of travel', targeting early-stage organisations, simplifying applications, and providing flexible funding without asking grantees to commit to a delivery plan from the outset.



Our pay gap reporting



Not only do we have organisational values at Power to Change, but we also live by them. This means that everything we do is Bold, Authentic, Informed, Collaborative and Open. In line with our values, we believe that it is important for organisations to understand their pay gaps so that we can be one step closer to a more diverse, equitable and inclusive sector.

The government requires organisations with more than 250 employees to publish details of their gender pay gap. However, the government does not require any organisations to publish details of their ethnicity or disability pay gaps. We are very proud to be a small organisation that shares our reporting on our gender, ethnicity and disability pay gaps by choice. We encourage all community businesses to do the same as a commitment to reducing inequalities in all areas.

We are committed to working together to make a positive and lasting impact for all, however we need to be sure that we do not breach confidentiality of our staff members' protected characteristics. We will commit to continuing to share our disability, ethnicity and gender pay gaps in 2024 if we are able to do so without breaching confidentiality.

Since 2023, we have implemented various changes to our internal processes to promote diversity, equity and inclusivity. We are pleased to share that we were recognised as a Disability Confident Leader, the highest tier achievable under the Disability Confident scheme, which allows us to offer advice to community businesses and partner organisations that are interested in better supporting their disabled employees, volunteers or service users. We have also revamped our recruitment approach by transitioning to the Applied platform (known for its ethical practices that reduce bias and increase diversity) and by advertising our vacancies on job boards that prioritise equity and inclusivity.

Although we are making improvements to our processes, we do not always see significant improvements in our pay gaps. We know that it is difficult to make significant change with such an entrenched issue, but we will continue to live our values and work collaboratively with other organisations to tackle this issue as a sector.

Please see below for our disability, ethnicity and gender pay gap details as of April 2023.

Disability Pay Gap

Our median disability pay gap was -11.56% and our mean disability pay gap was -8.99%. 27.50% of the organisation identified as disabled and 72.50% identified as non-disabled.

Ethnicity Pay Gap

Our median ethnicity pay gap was -11.42% and our mean ethnicity pay gap was -1.67%. 27.50% of the organisation identified as Black, Asian, mixed race, or another ethnicity and 72.50% identified as white.

Gender Pay Gap

Our median gender pay gap was 12.77% and our mean gender pay gap was 15.07%. In our organisation, 64.10% identified as female and 35.90% identified as male.

Financial review

Since 2015, Power to Change has supported business communities, using an expendable endowment provided by The National Lottery Community Fund, income generated from this endowment as well as additional restricted and unrestricted income received from time to time.

Expenditure

Total expenditure in 2023 was £9.04m (2022: £11.83m), in line with our projected expenses for the year but at a lower level of spend than previous years due to Power to Change developing and refining our strategy and business model.

Our 2023 expenditure was entirely in relation to charitable activities with no fundraising element in this year. 78% of our charitable spending (£7.04m) was on existing programmes and the amount of spend related to closing programmes (£1.99m or 22%) was significantly increased (2022: £0.53m or 4%) as programmes came to a natural close within the year, fitting nicely with the restructure.

Note 3 to the accounts shows a detailed analysis of our expenditure. The total value of grants awarded decreased by 47% from £4.53m in 2022 to £2.40m in 2023. This is primarily due to fewer new programmes in 2023 as well as some grant programmes not awarding new grants. Note 6 to the accounts provides detail of grant expenditure by programme in each year. Support to the sector also reduced in absolute value but only slightly reduced as a percentage of total expenses (from 11% in 2022 to 10% in 2023), demonstrating the support we provide to the community business sector.

Direct staff costs stayed steady between 2022 and 2023 (from £1.69m to £1.68m) while programme delivery costs decreased again by 55% (2022: 61%) over the same period (from £0.87m to £0.48m) reflecting our reduced reliance on delivery partners.

Research and evaluation direct costs decreased between 2022 and 2023 (from £0.75m to £0.45m), representing 5% (2022: 6%) of our total expenses as we continued to monitor the impact of our activities on the community business sector and share the lessons learnt.

Support costs in 2023 of £2.47m (2021: £1.76m) included support staff, rent and organisation costs, IT, legal, training, depreciation and governance. They represented 28% of total expenditure (2021: 15%). Part of this increase is due to redundancy costs for several support staff members, as well as a large liability relating to unpaid tax for CORE. The increase in support costs in percentage terms also reflects the fact that our total expenses decreased by 24% year-on-year.

The National Lottery Community Fund endowment funded c.29% of our expenditure in 2023, while the rest was mostly covered through restricted funds (including the £20m grant from TNLCF).

Income

Restricted funds represented 94% of our income in 2023 (2022: 98%) and included £6.44m of grant income from The National Lottery Community Fund to cover core costs. Note 2 to the accounts details our various sources of income in 2023.

Investment policy and strategy

Since 2019, the investment portfolio has become solely cash at bank and deposits (outside of our social investment in CORE) as Power to Change prepared to close, with its funds fully committed by the end of 2022. Following the launch of a new strategy in 2020/2021, the lifetime of the Trust was extended; its length will be confirmed following the current review of the Trust's business model but it is anticipated to last beyond 2025. In 2023, the strategy review and refinement of our business model removed the time limited nature of the organisation.

The objectives stated in the investment policy remain "to produce the best financial return within an acceptable level of risk and with capital preservation as a key criteria". Given the anticipated review of the business model, the Trustee Directors considered that keeping the Trust's assets in cash is the most prudent option at the end of 2023.

In 2023, investments were still held in short term cash deposits. To limit credit risk, cash deposits are managed to ensure that no more than 33% of them are held with any one financial institution.

To limit liquidity risk, our investment policy states a minimum amount of budgeted programmatic and total operating expenses should be kept in cash or low risk liquid investments. This clause was modified by the Trustee Directors in February 2022 from "18 months' worth" to "12 months' worth" to reflect the declining size of the endowment fund and the fact that a significant share of our expenses is financed through a grant from The National Lottery Community Fund drawn down every quarter based on projected expenses.

Cash and deposits held at 31 December 2023 amounted to £17.46m (2022: £20.29m). These funds are split in the balance sheet between fixed assets (£11.83m) and current assets (£5.64m). Together they represent more than 12 months' worth of budgeted programmatic and total operating expenses.

In addition, the Trust made a social investment in Community Owned Renewable Energy LLP (CORE LLP), a joint venture between Power to Change and Big Society Capital. CORE LLP worked alongside local community energy groups to support, develop and refinance solar farms with a view to maximising the benefit for these communities over the life of the investment venture. The creation of a portfolio of assets under CORE LLP was completed in 2019 and in December 2023 the assets were sold to local community groups who have formed an alliance "Community Energy Together" (CET). As part of the sale of the assets Power to Change and Big Society Capital provided loan finance to CET.

The investment in CORE LLP was made through the Trust's 100% subsidiary company PTC Renewable Energy Ltd (PTCRE). The investment in PTCRE is held in the Trust at cost (£5,225k). In 2023 this represents the loan from PTCRE to CET; in 2022 this represents the cost of investment in CORE LLP. The group financial statements show the Trust's 50% share of the net assets of CORE LLP of £933k (2022: £5,147k). In addition, the new loan from PTCRE to CET of £5,862k is recognised as a social investment loan in debtors.

CORE LLP will be wound up in 2024 and the remaining net assets will be transferred to the joint venture partners.

Funds

Retained funds and movements in the funds are shown in note 13 to the accounts.

Income generated from the expendable endowment provided by The National Lottery Community Fund (the "Capital Fund") is added to The National Lottery Community Income Fund (the "Income Fund") on an ongoing basis. When required, money from the Capital Fund is also transferred to the Income Fund to meet our ongoing expenditure requirements not met through other funding. During 2023, £0.66m was transferred from the Capital Fund (2022: £3.39m). The balance on the Capital Fund at 31 December 2023 was £20.47m (2022: £21.12m).

In addition to The National Lottery Community Fund endowment which funded c.29% of our 2023 expenditure, we used restricted funds to fund most of our remaining expenditure. Below is a list of our main sources of restricted funding and related expenditure in 2023:

- Grant funding from The National Lottery Community Fund: £6.07m was spent (2022: £6.85m) to cover core costs related to our five-year strategy (£6.44m was received in 2023 as part of a five-year grant of £20m);
- Grant funding from the Open Society Foundations to enable work on Alternative Ownership initiated by the Open Society Foundations: £0.26m was spent (2022: £0.94m) on this initiative.

Reserves and Going Concern

The Trustee Directors manage our reserves in line with the reserves policy, which is reviewed annually. In line with Charity Commission guidance on expendable endowments, the reserves policy does not stipulate a specific level of endowment or unrestricted reserves that are required. The Trustee Directors reviewed in December 2023 the cash position forecast for the Trust at the end of 2024 which indicated the Capital fund more than covers fixed annual operating expenses and can therefore support the organisation without additional income until the end of 2026. The budget is reviewed annually and was last reviewed in December 2023.

As such there are no material uncertainties surrounding the Trust's ability to continue as a going concern and the financial statements have been prepared on that basis.

Structure, governance and management

Legal structure

Power to Change Trust (the “Trust” or the “Charity”) is a charitable trust registered 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 a £149,204,000 endowment from The National Lottery Community Fund (formerly the Big Lottery Fund). Power to Change Trustee Limited is the sole corporate Trustee. It is a private company (company number 8940987 – England and Wales) limited by guarantee and incorporated on 17 March 2014.

Charitable objects

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

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

The Trust’s overall vision of “powerful communities, better places” is delivered through a mission to strengthen community businesses to tackle some of society’s biggest challenges at a local level, including climate change, digital transformation and social inequalities. Funding is provided where a charitable purpose can be identified.

The Trustee Directors have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the Trust’s aims and objectives and in planning future activities. They have concluded that the Trust meets the definition of a public benefit entity under FRS 102.

Governance

Board members are directors of Power to Change Trustee Limited and are referred to as Trustee Directors throughout this report. The Trustee Directors are listed below.

The Charity Governance Code (as updated in 2020) has been reviewed and Trustee Directors have chosen to adopt and apply this code. The Principles, Outcomes and Recommended Practices have been discussed and have been applied. With regard to the review of the Board's performance, the Board and each of the committees engaged in and undertook a thorough review of their performance and effectiveness with an external provider, Social Minds in March to June 2023. Social Minds found that the Board and committees were compliant with the Charity Governance code and that meetings were well chaired, had appropriate agendas and documentation, were inclusive of participants and supportive.

Power to Change has one subsidiary company: PTC Renewable Energy Ltd. The Trustee Directors approve the appointment of directors of PTC Renewable Energy Ltd.

PTC Renewable Energy Ltd owns 50% of Community Owned Renewable Energy LLP, which is a joint venture with Big Society Capital. The joint venture is governed by an LLP Partnership Agreement dated 1 August 2017. Day-to-day management is through a Management Board that has terms of reference agreed by both parties. Each joint venture partner has an appointed member to the Management Board.

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 post and overseen by the Nominations Committee. A strategic, operational and governance induction programme is in place.

All Trustee Directors are given current information on the legal duties and expectations of being a Trustee Director and are invited, on an ongoing basis, to attend relevant training events paid for by the Trust. Trustee Directors are also invited to attend key internal meetings, and sector events hosted and/or sponsored by the Trust.

New Trustee Directors are initially appointed to serve for a three-year term after which they will be eligible for reappointment. The Articles of Power to Change Trustee Limited provide for a minimum of five Trustee Directors and up 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 programmatic activities of the organisation, including the administration of grants is delegated to the Chief Executive Officer (CEO) and his/her team.

The Board met four times in 2023. All Trustee Directors give their time freely and no Trustee Director was paid remuneration. In 2023, the Trustee Directors claimed £708 of expenses (2022: £962) in connection with the Trust's business.

Composition of the Board

The Trustee Directors in post during the year and up to the date of signing of this report were:

Name	Role
Anthony Burton CBE	Chair, Appointed 1 January 2023
Léonie Austin	Vice Chair from 1 April 2023
Anne-Marie Harris	Chair of the Finance and Audit Committee from 1 January 2023
Deepa Shah	Chair of the People and Governance from 1 January 2023 to 11 March 2024
Sarah Gorman	
Ian Hempseed	
Melissa Mean	
Dr Jess Steele OBE	
Hardev Virdee	
Tim Davies-Pugh	Company Secretary of Power to Change Trustee Limited from 24 July 2023

The following Trustee Directors were in post during 2023 but stood down before the date of signing of this report:

Name	Role
Christopher Stephens	Trustee Director until 31st March 2023
Dai Powell OBE	Trustee Director, deceased 07 February 2024
Samantha da Soller	Served as Company Secretary of Power to Change Trustee Limited until 24 July 2023

Sub-Committees

Two Sub-Committees reported to the full Board of Trustee Directors during 2023:

The Finance and Audit Committee oversees financial aspects of the Trust including budgeting, financial and management reporting. It also oversees all systems of control at the Trust, including the annual external audit and the internal audit process.

Members: Anne-Marie Harris (Chair from 1 January 2023), Dai Powell OBE (until 07 February 2024), and Hardev Virdee. The following additional members were appointed on 11 March 2024 – Tony Burton, Deepa Shah and Sarah Gorman.

Members met four times in 2023 and four meetings are scheduled in 2024.

The People and Governance Committee oversees all people and governance matters at the Trust including composition of the Board, all policy and people related matters, diversity and adherence to the Trust's values.

Members: Christopher Stephens (Chair – until 31 December 2022), Deepa Shah (Chair from 1 January 2023), Léonie Austin, Sarah Gorman (from 6 March 2023)

Members met three times in 2023.

Between September 2023 and February 2024, the People and Governance Committee conducted, on behalf of the Board, a review on the governance of Power to Change. The outcome of the review led to the following changes being made to the governance of the Trust, effective from 11 March 2024:

- (i) the People & Governance Committee was disbanded, with its duties either being transferred to the Board or delegated to the Chief Executive Officer and his team.
- (ii) the Finance and Audit Committee being renamed the Finance and Risk Committee, with its duties widened to include scrutinising risk management effectiveness, overseeing business development and income generation activities; to enable it to make recommendations to the Board for the purposes of improving the efficiency and effectiveness of the Trust's financial and risk governance.

Members: Anne-Marie Harris (Chair), Tony Burton, Hardev Virdee, Deepa Shah, Sarah Gorman.

Key management personnel

The Chief Executive and the Executive Directors comprise the key management personnel in charge of directing and controlling the Trust on a day-to-day basis and are referred to as the Leadership Team (until 31 August 2023, and the Executive Team from 01 September 2023).

The Leadership Team is comprised of the following:

Current members

Name	Role
Tim Davies-Pugh	Chief Executive Officer
Nicola Fuschillo	Director of People and Governance until 31 July 2023 Chief Operating Officer from 01 August 2023
Ailbhe McNabola	Director of Policy and Communications until 31 July 2023 Deputy Chief Executive from 01 August 2023

Previous members

Name	Role
Samantha da Soller	Director of Finance and Operations until 26 July 2023
Stephen Miller	Director of Impact and Learning until 31 December 2023

Leadership Team pay is reviewed annually by the People and Governance Committee (and by the Board from 11 March 2024). Their remuneration, and the remuneration of all our staff, is benchmarked with similar organisations to ensure that our pay ranges are aligned with our comparators. These organisations might not be similar to Power to Change in terms of staff size or expenditure, but we view these comparators as organisations that we would struggle to recruit from or lose staff to if our pay was not competitive.

Fundraising

The Trust did not employ professional fundraisers (as consultants or staff members) and therefore the Trust has nothing to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Grant Making Policy

Grant making remains a key activity of the Trust. Our grant making processes are governed by the Grants Policy Framework which was revised in 2022, approved by the Board and given the consent of the Protector. This was part of a review and update to our grant making approach to better reflect our structure and strategy as well as changes to Subsidy Control Rules.

The Board has appointed the Executive Grants Committee (EGC) as an executive decision-making body of the Trust with delegated authority to award, reject or withdraw grants in accordance with the Trust's objectives and to ensure that all grants are awarded in line with the Grants Policy Framework. The EGC reports directly to the Board. Grants over £500k require approval of the Board.

The EGC has the power to delegate grant decisions to sub-committees. These sub-committees, which are often run in conjunction with the Trust's delivery partners, have terms of reference which include membership, voting and a maximum grant value they can award.

The Trust invites applications for these grants through its website, through its partner websites, news boards, email bulletins and other relevant publications.

Some grants are made to other organisations, for example to develop a new programme or conduct research relevant to the community business sector. The process and authority levels for approving all grants follow the same processes.

Risk Management

The Trustee Directors recognise that the effective management of risks is central to the Trust's 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 according to a scoring formula (Likelihood x Impact + Impact), determine the appropriate response to each risk and then finally review and report on 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, investments in programmes and our grant making have a different appetite for risk (high) compared to legal/regulatory and trust compliance where risk tolerance is low.

The key risk review and reporting mechanisms at Power to Change are:

- **Risk register.** The risk register forms the Trust's primary mechanism for considering long-term risks, set in the context of the Trust's statement for risk appetite. It identifies all known long-term risks and assigns them for management to an individual member of the Executive Team. They are reviewed quarterly by the Executive Team and annually by the Board (additionally red risks are reviewed by the Board every six months).
- **Management accounts and budgets.** Management accounts measure financial performance against financial objectives and they identify the risks of not achieving these objectives. Management accounts are prepared monthly, detailed reviews are carried out with budget holders at least quarterly, and budgets are produced annually. Management accounts are reviewed against budget on a quarterly basis by the Finance and Risk Committee and recommended for approval to the Board.

The last formal full review and update of the risk management framework, the statement of risk appetite, and the risk register by the Trustee Directors was in March 2024.

The most significant areas of risk (after considering mitigating actions) are summarised below together with a summary of the mitigations.



Summary of significant risks

Area of risk	Mitigations
Financial Failure to meet our income generation targets.	Our financial model allows us to operate at current (2024) budget levels for 4 years, and while realising the full value of the capital and interest repayments on the loan made by our wholly owned subsidiary, PTC Renewable Energy Ltd, to Community Energy Together members is a risk, it is low given the value of the assets financed.
Operational Failure to foster the behavioural changes necessary to foster the changes needed to our culture, including in the recruitment and onboarding of new staff	The behaviours have been identified and embedded in performance development processes so that personal objectives are aligned with organisational ambitions. The Strategy & Culture team leads the work to embed the cultural changes required, overseeing a programme of internal communications to reinforce the behaviour changes we want to see.
Financial Inadequate controls lead to fraud and misuse of resources	Policies and procedures covering all internal controls are in place and available for all staff. These include a scheme of delegation, robust banking controls and sign-off procedures, and appropriate segregation of duties in place for authorisations. Monthly management accounts reported against board approved budgets and reviewed by Finance & Risk Committee.
External Fraudulent behaviour, poor-quality services or other inappropriate activity by grantees and delivery partners undermine our reputation	Close performance and relationship management of delivery partners and contractors to ensure potential reputational risks flagged. Whistleblowing policy in place and a communications protocol in place for managing negative situations.
Operational Major IT systems failure or cyber security attack	All systems are cloud based and regularly backed-up. Single Sign-on features enabled on main applications. All staff required to complete cyber security training during probation and regular refresher sessions and re-validation of Cyber Essentials Plus achieved in June 2023.

Trustee Directors' statement of responsibilities

in respect of the Trustee Directors' annual report and the financial statements.

Focus of the activities

The Trustee Directors have given due consideration to the 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 8 to 23.

Responsibilities of the Trustee Directors

The Trustee Directors are responsible for preparing a Trustee Directors' 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 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.

Approved by the Trustee Directors on 03 July 2024 and signed on their behalf by:



Anthony Burton CBE
Chair

Protector Statement

Background

I was appointed as Protector of the Power to Change Trust ('the Trust') on 1 November 2018 for a period of three years. My term of office was renewed for a further five years on 1 November 2021. The Trust is a UK registered charity set up for broad charitable purposes, with a corporate trustee controlling its affairs. The corporate trustee is Power to Change Trustee Limited, which in turn is controlled by a board of directors (the Board) who meet regularly. The Board delegate the day to day running of the Trust to the Chief Executive.

The founder of the Trust is the National Lottery Community Fund ('the Fund'), previously known as 'The Big Lottery Fund', which invested £149 million in setting up and endowing the Trust with a view to making 'community-led enterprise across England a sustainable solution to local social and economic needs and opportunities'.

Function of the Protector

The function of the Protector is set out in the Trust Deed dated 3 November 2014 and subsequent thereto supplemental deeds dated 6 January 2015 and 28 September 2016. The fiduciary duty of the Protector as stated in the Trust Deed is to 'ensure the integrity of the administration of the Charity and the propriety of its procedures'. The Protector is not involved in the decision making and is not a trustee of the Charity. If necessary, the Protector must report matters of serious concern to the Fund or to the Charity Commission. The function of the Protector therefore is to ensure the Trustees administer the Trust properly and to act as a 'watch-dog', monitoring the Trustee and preventing it from abusing its powers or breaching its duties. More positively, the Protector must seek to ensure, as far as possible, that the Trust is administered in accordance with the terms of the Trust Deed and give or withhold consent or approval to the exercise of certain powers by the Trustee.

I am required under the Trust Deed to prepare a statement for publication by the Trustee in its annual report, explaining the Protector's function, how the function has been exercised and, if appropriate, identifying any areas of administration that require improvement and steps to be taken by the Trustee to affect such improvement.

Aims of the Trust

The Fund established the Trust to bring about a widespread recognition of the economic and social benefits of community-led enterprise and asset ownership so that more local people are enabled to improve the places where they live. The objectives of the Trust include:

- 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 permitted methods of achieving the objectives are widely drawn within the Trust Deed and the Fund sets out the key supporting interventions that it wishes the Trust to use in exercising its powers and duties. The Fund's desired outcome is that the Trust should encourage and develop sustainable community businesses and help to bridge the gaps in market infrastructure, including intermediaries, while increasing the understanding of the key variables that drive community business creation and sustainability. The Fund expects the Trust to do this by working in partnership with others in the public, private and voluntary sectors and building an evidence base that demonstrates how community businesses become sustainable and deliver better outcomes for people and communities most in need.

Administration of the Trust

The Board has returned to holding its meetings in person whilst continuing with hybrid meetings for Committees in order to facilitate full attendance for those Trustees with demanding executive roles or busy portfolios. During the year I have attended all but one of the meetings of the Board of Trustees, all meetings of the People and Governance Committee and three of the four Finance and Audit Committee, providing verbal feedback on the papers for the prior to the November meeting. In addition I have met quarterly with the Chair and monthly with the Chief Executive as part of my ongoing responsibility to keep matters under regular review. I have met with representatives of the Fund on three occasions to discuss the Trust's proposed new strategy and provided assurance on the effective governance oversight and management of the endowed fund. Following a request, I have also provided assurance to the Fund on the tax liability for PTC Renewable Energy. There have been no requests for Protector consent during the year and no matters of significant concern to raise with TNLFC or the Charity Commission. Throughout the year the Trustees and executive have also incorporated my comments and guidance into their decision making and I am grateful to them for their inclusive approach.

I am satisfied that the Trust has been administered in accordance with the terms of the Trust Deed for the period 1 January 2023 to 31 December 2023.

The year under review

This year has seen ongoing uncertainty in the UK economy caused by geopolitical volatility. Economic shocks have demonstrated that community businesses can be more agile and responsive to local needs even when their own financial sustainability is under threat. Power to Change is seen as a facilitator and enabler, with a managed risk appetite that works with community businesses to navigate and lead through this uncertainty.

The Trust continues to refine and reframe its new strategy whilst staying true to its original purpose and legacy goals – resilient community business that drive community ownership and vest the power to change their communities for the better in the people who live and work there.

Building upon the evaluation and evidence created from many years of grant funded programmes, Power to Change has successfully levered additional funding into the sector. Community business is still a relatively nascent delivery model and the Trust is working with policy makers to build the collateral, reach and impact of the sector. The Trust continues to invest resources to test new ideas and disseminate the learning, helping to de-risk the investment decisions for follow on funders. This evidence led approach has created a body of knowledge that is free to access and expertise that is in high demand as decision makers from all points on the political spectrum grapple with how to harness community power as they shape their manifestos.

PTC has actively sought the views of its many stakeholders on its future role and how it adds value to the community business ecosystem. This listening exercise concluded that the Trust is valued, plays an important role in advocating for the sector and is uniquely placed to shape and influence the conditions within which community businesses can thrive.

This year also saw the successful transition of the CORE renewable energy project to community ownership. This project will prove the viability of community ownership in the energy market and create direct community benefit, demonstrating the value of PTC's test and learn investment model.

The areas outlined above serve to demonstrate that the Trust continues to pursue the aims of the Funder as set out in the Trust Deed; to seek to secure a sustainable legacy from its work; and to add value to the community business sector.

Board of Trustee Directors and Executive Changes

This was the first year in office for the Trust's new Chair, Tony Burton, who has brought extensive experience into the organisation from his tenure on the Board of The National Lottery Community Fund. Tony initiated the first external Board effectiveness and governance review of the Trust which concluded that the governance is sound and highlighting opportunities to streamline governance structures and processes as the organisation becomes a smaller, more strategic enabler. These changes are now being implemented.

Another long serving Trustee, Chris Stephens, retired from the Board in March and with the sad loss of Dai Powell has left just two of the original trustees remaining on the Board. The Chair will reflect on the Board size and skills needed in new trustees to complement the existing broad range of experience and to support the executive team as it continues to shape its future role and direction.

Attendance at Board and Committee meetings is excellent and the commitment of the Trustee Directors (all of whom are unpaid and have other demanding roles) has been notable, particularly during the transition of CORE to community ownership, scrutiny of new programme streams, withdrawal from large grant funding projects and assurance of legacy impact and evaluation.

The Board continues to operate in a challenging and collegiate manner. There is open and constructive discussion facilitated by comprehensive and clear Board papers, presentations and background briefings. The administration of the Trust is efficient and effective. The disbanding of the People and Governance Committee is timely and places accountability and responsibility for core HR policies and decisions with the executive, with clear assurance and exception reporting to the Board. The expanded terms of reference for the Finance and Risk committee enables more time for scrutiny and assurance on the management of key risks and assessing income generation opportunities to ensure future financial sustainability. I am satisfied that the Board has had due regard to the risks and opportunities facing the Trust as it aligns its resources to the delivery of a new strategy and to achieving the aims and objectives set out in the Trust Deed.

Under the dedicated and experienced leadership of Tim Davies-Pugh, the staff team has responded well to maintaining business as usual and retaining the support of key partners as the organisations pivots towards a new operating model. Tim has focused on developing or recruiting the new skills required to work alongside community businesses to shape those support programmes that PTC is uniquely placed to deliver. The size of the executive team has reduced, reflecting a smaller organisation, but the team continues to provide expert support to the Board and its committees. Decision and information papers are clear and comprehensive and financial and programme performance reporting enables effective scrutiny by trustees.



Governance

The Trust has an effective committee structure and I have attended all but one of their meetings during the year. In compliance with the Trust Deed and reflecting the wishes of the Fund, I have particularly noted the following:

- a. The Finance and Audit Committee has closely examined the available options and financial returns from the transition of CORE into community ownership. The Chair of the Committee is to be commended for the advice and guidance she provided to the executive and the Board on the option that would secure the greatest community benefit and realize the return, in full, of the Trust's original investment. The Committee members were diligent in their assessment of risk, asset liabilities, FCA compliance and management of stakeholder expectations throughout the negotiations. The Committee has sought and received assurance on the proposal to pursue primary purpose trading to ensure compliance with the Trust Deed and the Charities Act. The Committee has a clear line of sight on expenditure from the remainder of the endowed funds and how these funds will support a lasting and practical legacy that brings community business into the economic mainstream. Internal governance structures and accompanying delegations have been updated to reflect the changes from large grant giving programmes. Members have also given early consideration to how PTC can broker access to finance initiatives for community businesses without exposing the charity to undue risk.
- b. The People and Governance Committee have provided strong oversight of the organizational reshaping and downsizing, with particular attention to fairness, equity and legal compliance as staff have been moved to new contracts. Members have provided advice and challenge on the governance review, recommending a leaner committee structure that reflects the review recommendations. The Committee has championed the Trust's work to embed diversity, equity and inclusion throughout its programmes and has encouraged the team to raise awareness of their DEI approach to delivery partners and beneficiaries. The Trust Deed envisaged that PTC would 'ensure that promoting equalities is at the heart of everything the Charity does, and that its work reaches the most disadvantaged people and communities' and it is particularly pleasing to see how this has been achieved.

From my observations of committee meetings and conversations with trustees and executives, I conclude that the Board applies a proportionate and appropriate level of scrutiny and challenge to operations.

Looking Ahead

The year ahead is likely to be dominated by political and economic uncertainty as the country prepares for a new Government. The campaigns developed by the Trust to amplify the contribution of community business to national economic and social policy are evidenced, achieving critical mass and convincing. The Trust has built solid foundations over the last eight years and has earned the trust and support of the community business sector by being pragmatic, innovative and taking measured risks. The Board is ambitious for the sector and energised by what community businesses can achieve with the right support. Power to Change is uniquely placed to position the sector with an incoming administration and directly influence national policy measures aimed at harnessing community power to build better places from the ground up.

If it is to realize this ambition over the long term the Trust will need to identify new sources of income as the remaining endowment is spent down. Power to Change has built a solid reputation with the National Lottery Community Fund, local and national government and is doing so increasingly with large corporates, foundations and policy think tanks. The opportunity to leverage from this reputational collateral is significant. How this is positioned with future funders and strategic partners will determine the Trust's financial sustainability into the long term. If additional income is not secured the Trust will need to determine the rate of expenditure of the remaining endowment and how to optimise the contribution it can make to the success of the community business sector during its remaining life.

As the endowed fund is spent down the Trust and the Lottery will need to agree how it operates within the parameters of the Trust Deed and what criteria would need to be met for the Deed conditions to fall away. I remain fully engaged in these ongoing discussions.



Susan Johnson OBE
Protector, Power to Change Trust

May 2024



Independent Auditor's Report to the Members of Power to Change

Opinion

We have audited the financial statements of Power to Change for the year ended 31 December 2023 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 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).

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 2023 and of the group's income and application of resources, including its income and expenditure 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.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 trustee directors

As explained more fully in the trustee directors' responsibilities statement set out on page 28, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Use of our report

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.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Date:

Crowe U.K. 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.

Financial statements

Consolidated Statement of Financial Activities for the year to 31 December 2023

		Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
	Notes					
Income from:						
Donations	2	–	–	–	–	–
Charitable activities	2	–	6,442	3	6,445	7,046
Interest and investments	2	375	–	–	375	115
Total income		375	6,442	3	6,820	7,161
Expenditure on:						
Raising funds		–	–	–	–	80
Existing programmes		1,689	5,316	38	7,043	11,224
Closing programmes		989	1,004	–	1,993	525
Total expenditure	3, 5, 6	2,678	6,320	38	9,036	11,829
Net gains / (losses) on investments	9	1,647	–	–	1,647	512
Net (expenditure) / income	4	(657)	122	(35)	(570)	(4,156)
Transfers between funds	13	–	–	–	–	–
Net movement in funds		(657)	122	(35)	(570)	(4,156)
Reconciliation of funds						
Total funds brought forward		21,124	707	35	21,866	26,022
Total funds carried forward	13	20,467	829	0	21,296	21,866

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

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

The accompanying notes on pages 51 to 71 form part of these financial statements.

Consolidated and Charity Balance Sheets
as at 31 December 2023

	Notes	2023		2022	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Fixed assets					
Intangible assets	7	15	15	42	42
Tangible assets	8	10	10	28	28
Investments	9	933	5,226	5,147	5,226
		958	5,251	5,217	5,296
Current assets					
Cash at bank and in hand		17,482	17,482	20,286	20,286
Debtors	10	6,315	454	1,471	1,471
		23,797	17,936	21,757	21,757
Current liabilities					
Creditors: amount falling due within one year	11	(3,302)	(3,085)	(3,952)	(3,952)
Net current assets		20,495	14,850	17,805	17,805
Total assets less current liabilities		21,453	20,101	23,022	23,100
Creditors: amount falling due after one year	11	(157)	(157)	(1,156)	(1,156)
Net assets		21,296	19,944	21,866	21,944
The funds of the charity					
Endowment funds	13	20,467	19,115	21,124	21,202
Unrestricted funds	13	0	0	35	35
Restricted funds	13	829	829	707	707
Total funds		21,296	19,944	21,866	21,944

Approved by the Corporate Trustee.

Authorised for issue on 3 July 2024 and signed on behalf of the Trustee Directors:



Anthony Burton

Chair

The accompanying notes on pages 51 to 71 form part of these financial statements.

Consolidated Cash Flow Statement
for the year to 31 December 2023

	2023 £'000	2022 £'000
Cash outflow from operating activities		
Net expenditure	(570)	(4,156)
Share of joint venture (gain) / loss	0	(512)
Net expenditure before share of joint venture gain / loss	(570)	(4,668)
Depreciation/Amortisation of tangible and intangible fixed assets	45	56
Decrease / (Increase) in current asset investments	0	(5)
Decrease / (Increase) in debtors	(4,844)	1
(Decrease) / Increase in creditors	(1,649)	(2,332)
Net cash flow from operating activities	(7,018)	(6,948)
Cash inflow from investing activities		
Decrease / (Increase) in fixed asset investments	4,215	6,141
Payments to acquire tangible and intangible fixed assets	0	(5)
Net cash flow from investing activities	4,215	6,136
(Decrease) / Increase in cash in the period	(2,804)	(812)
	2023 £'000	2022 £'000
Analysis of changes in net funds		
Cash balance at the beginning of the period	20,286	21,098
Increase in cash in the period	(2,804)	(812)
Cash balance at 31 December	17,482	20,286
Cash and cash equivalents / Investment		
Cash in hand	17,482	5,564
Total cash and cash equivalents / Investment	17,482	5,564

Reconciliation of cash equivalents and net debt

	2022 £'000	Cashflow £'000	2023 £'000
Cash in hand	5,564	(2,804)	2,760
Total cash and cash equivalents / Investment	5,564	(2,804)	2,760

Notes to the accounts

for the year to 31 December 2022

1. Accounting policies

Introduction

The Trustee Directors are pleased to present the consolidated financial statements for the Group and for Power to Change Trust ("the Charity"). The consolidated Group 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. Note 9 lists all group companies and joint ventures.

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 (Charities SORP FRS 102) effective 1 January 2019.

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 and assumptions about the carrying values of the 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 ongoing 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.

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

Consolidated financial statements are prepared under historical cost convention in pounds sterling, which is the functional currency of the Charity.

Going Concern

The Trustee Directors considered the 2024 budget and the cash balance forecast for 31 Dec 2024 alongside the available reserves (described on page 67) and are satisfied that the funds available then are sufficient to cover existing commitments and planned spending through to 2026.

As such there are no material uncertainties surrounding the Trust's ability to continue as a going concern and the financial statements have been prepared on that basis.

Income and endowments

Income is 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 must 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.

Fund accounting

Endowment funds represent capital gifted in 2015 by The National Lottery Community Fund (formerly the Big Lottery Fund). Any unspent income arising from the Capital Fund is added to The National Lottery Community Income Fund and the Trustee Directors may transfer amounts from the Capital Fund to the Income Fund to cover any shortfalls in that fund.

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.

Unrestricted funds are available to spend on activities that further any of the purposes of the organisation.

Expenditure

Expenditure is included on an accruals basis for the 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 recognised, in line with our internal grant recognition policy, on a legal and constructive obligations principle basis. Grants payable are accounted for in full as liabilities as soon as the criteria for a constructive obligation has been met (specific commitment communicated directly to grant recipients) and there are no conditions attached which limits recognition.

Grant commitments requiring pre-conditions outside the control of the Trust to be met are recognised in full as liabilities when it is probable that these preconditions will be met. If it is possible that these pre-conditions might be met, the grant commitments are considered as contingent liabilities.

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. All charitable activities are classified in alignment with those undertaken in 2023.

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, legal, information technology, office and organisation costs. 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 costs incurred in business development activities for income generation.

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 and are recognised in the Statement of Financial Activities in the period to which they relate. The Charity has no liability under the scheme other than the payment of the 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 further benefits. Amortisation is provided to write off assets on a straight-line basis over their estimated useful economic life of three years.

Amortisation charges begin in the month of purchase and are 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 of three years. The depreciation charge begins in the month of purchase and is included in charitable activities expenditure.

Fixed asset investments

Fixed asset investments represents the charities investment in joint venture net assets (disclosed further in Note 9).

Cash and cash equivalents

Cash and cash equivalents represents cash balances and short term deposits which are accessible on demand.

Financial instruments

The Charity has financial assets and 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, current asset investments, cash held as fixed asset investments, and trade and other debtors. Financial liabilities held at amortised cost comprise of trade and other creditors.

Instruments other than cash, 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.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Contingent liabilities

Contingent liabilities are recognised when possible obligations may arise as a result of uncertain future events that are not wholly within the control of the Charity, for example an agreement with an intermediary to fund future onward grants that have not been recognised at the balance sheet date.

Joint venture investment

Joint ventures are those entities over whose activities the Group has joint control. Investments in joint ventures are accounted for by the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition. If the Group's share of the loss exceeds the carrying amount of its investment, the Group discontinues recognising its share of further losses. Additional losses are recognised as a provision only to the extent that the Group has a legal or constructive obligation to make payments on behalf of the joint venture. The Group only resumes recognising its share of profits after they equal the share of losses not recognised. Loans to joint ventures are included in fixed asset investments.

2. Income

	Endowment Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Donations	–	–	–	–	–
Income from charitable activities					
The National Lottery Community Fund – funding for the new five year strategy	–	6,442	–	6,442	6,634
Open Society Foundations	–	–	–	–	411
GLA	–	–	–	–	(53)
WMCA	–	–	–	–	51
Other	–	–	3	3	2
	–	6,442	3	6,445	7,046
Income from interest and investments					
Income from investments	–	–	–	–	–
Bank interest	375	–	–	375	115
	375	–	–	375	115
	375	6,442	3	6,820	7,161

Interest income is in the Endowment Income shown in note 13.

3. Expenditure Allocation

£'000	Raising Funds	Existing Programmes	Closing Programmes	2023 Total	2022
Grants Awarded	–	1,372	1,029	2,402	4,532
Programme delivery costs	–	310	168	478	872
Support to sector	–	678	204	882	1,170
Direct staff costs	–	1,040	637	1,677	1,686
Research and evaluation direct costs	–	255	199	454	752
Other direct costs	–	301	371	672	1,054
Support costs	–	1,533	938	2,472	1,763
Total	–	5,490	3,547	9,036	11,829

Programme delivery costs include the management of grants awarded in prior years.

Breakdown of support costs	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Staff costs – governance	299		330	
Direct costs – governance	44		109	
Governance		343		439
Staff costs – finance, operations and HR		887		689
Rent and organisation costs		801		303
Training costs		129		132
IT costs		132		115
Legal		135		29
Depreciation		45		56
Total		2,472		1,763

Prior year expenditure allocation:

£'000	Raising Funds	Existing Programmes	Closing Programmes	2022 Total
Grants Awarded	–	4,669	(137)	4,532
Programme delivery costs (of which £330k via a grant)	–	542	330	872
Support to sector	–	1,079	91	1,170
Direct staff costs	40	1,581	65	1,686
Research and evaluation direct costs	–	746	6	752
Other direct costs (of which training £23k)	13	939	101	1,054
Support costs	27	1,667	69	1,763
Total	80	11,224	525	11,829

4. Net Expenditure for the year

This is stated after charging:

	2023 £'000	2022 £'000
Operating lease rentals (rent)	89	86
External audit fees	38	26
Internal audit fees	9	11
Depreciation/Amortisation	45	55
Total	181	178

5a. Staff costs and numbers

	2023 £'000	2022 £'000
Wages and salaries	2,437	2,231
Social security costs	240	254
Employer pension contributions	117	120
Other employee benefits	34	31
	2,828	2,635
Training (support costs)	129	132
Training (direct costs)	7	23
Contractor costs	276	279
Recruitment costs	55	98
Total staff costs	3,294	3,168

The average number of employees (excluding contractors) during the year was as follows:

	2023	2022
Charitable expenditure	14	27
Support and governance	25	16
Total	39	43

The number of employees who received remuneration (this includes termination payments set out below) of more than £60,000 in the year was as follows:

	2023	2022
£60,000 – £69,999	5	2
£70,000 – £79,999	3	0
£80,000 – £89,999	–	3
£90,000 – £99,999	2	1
£100,000 – £109,999	1	0
£110,000 – £119,999	–	0
£120,000 – £129,999	1	1
£130,000 – £139,999	1	0

Total key management personnel costs for the year were £580k (2022: £641k).

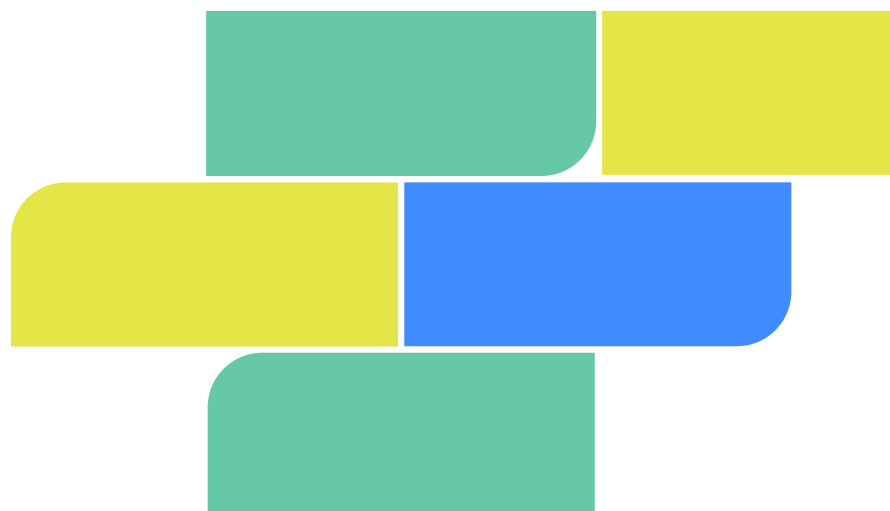
Details of key management personnel are set out on page 33.

Included in the wages and salaries costs are termination payments of £240k (2022: £19,300).

5b. Trustee Directors

Trustee Directors received no remuneration during the year (2022: £nil). In total 4 Trustee Directors received reimbursement for travel and subsistence expenses of £708 during the year (2022: 3 Trustee Directors – £962).

The Protector received remuneration of £15k for the year (2022: £15k) representing their fee as stipulated by the Trust Deed. The Protector also received reimbursement of travel and subsistence expenses of £220 (2021: £178).



6. Grants awarded

	2023 £'000	2022 £'000
Capabilities		
Powering Up	72	480
Other	53	19
Enabling Conditions		
Infrastructure	–	(11)
Making the Case	79	95
Local and Regional	301	619
New Economic Models		
Community Business Trade Up	265	245
Community Shares	438	189
Crowdfunding	20	237
Democratic Ownership	40	850
Empowering Places	(8)	58
Market Opportunities		
Climate Action Programme	1,000	1354
Community Tech	265	400
CORE and Next Gen	324	24
Health, Social Care and Wellbeing	–	(18)
Others		
DEI Crosscutting	–	75
Impact and Learning	25	74
Impact and Learning Legacy	–	(30)
Communications	25	0
Programme Management	10	(127)
Grant Withdrawals (included in net figure in PY)	(506)	
	2,402	4,532
Grants to Delivery Partners for Delivery Costs	0	330
	2,402	4,862
Grants awarded in PY are net of withdrawals	0	437

7. Intangible fixed assets (Group and Charity)

	Software	Website	2023	2022
	£'000	£'000	£'000	£'000
Cost				
Brought forward	87	82	168	449
Additions	–	–	–	–
Disposals	–	–	0	(281)
Carried forward	87	82	168	168
Amortisation				
Brought forward	87	39	126	380
Charges for the year	–	27	27	27
Disposals	–	–	0	(281)
Impairment	–	–	–	–
Carried forward	87	67	153	126
Net book value				
Brought forward	0	42	42	70
Carried forward	0	15	15	42

Software pertains to customer relationship management software.

8. Tangible fixed assets (Group and Charity)

	IT Equipment	Fixtures and Fittings	2023	2022
	£'000	£'000	£'000	£'000
Cost				
Brought forward	95	39	133	129
Additions	–	–	–	5
Disposals	–	–	–	0
Carried forward	95	39	133	133
Depreciation				
Brought forward	88	18	106	77
Charges for the year	5	13	17	28
Disposals	–	–	–	0
Carried forward	92	31	123	106
Net book value				
Brought forward	7	21	28	51
Carried forward	2	8	10	28

9. Fixed Assets Investments

	2023		2022	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Social investment				
Community Owned Renewable Energy LLP	–	5,226	–	5,226
Share of joint venture net assets	933		5,147	–
Debtors				
Social Investment: loan to Community Energy Together Ltd	5,862			
Total investments	6,794	5,226	5,147	5,226

The Social Investment Loan portion of £5,862k has been classified within the Debtors section of the Balance Sheet

Movement in year

	2023		2022	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Social investment				
Movement in share of joint venture net assets	1,647	0	(2,738)	(3,250)
Decrease / (increase) in investments	1,647	0	(2,738)	(3,250)
Brought forward investments	5,147	5,226	7,886	8,476
Total investments at the end of the year	6,794	5,226	5,147	5,226

The social investment of £5,225k in 2023 (2022: £5,225k) relates to PTC Renewable Energy Ltd (a wholly owned subsidiary of the Trust). The assets of PTC Renewable Energy Ltd represent its investment in Community Owned Renewable Energy LLP (CORE LLP), a 50%/50% joint venture between and Big Society Capital and a loan to Community Energy Together Ltd.

The Group accounts reflect the value of the Trust's 50% share in the assets of the joint venture. The value of the loan to Community Energy Together Ltd is shown within debtors (note 10) in the Group accounts. The difference between the total social investment in the Group accounts and in the Charity accounts represents gains made over the course of the investment.

10. Debtors (Group)

	2023 £'000	2022 £'000
Prepayments	49	109
Advances to intermediaries	404	1,304
Community Energy Together Loan	5,862	–
Trade Debtors	–	58
Other debtors	–	1
Total	6,315	1,471

10. Debtors (Charity)

	2023 £'000	2022 £'000
Prepayments	49	109
Advances to intermediaries	404	1,304
Trade Debtors	–	58
Other debtors	–	1
Total	454	1,471

11. Creditors (Group)

	2023 £'000	2022 £'000
Due within one year		
Trade creditors	552	528
Grants payable	2,283	2,835
Accruals	154	394
Other creditors	313	195
	3,302	3,952
Due after one year		
Grants payable	157	1,156
Total	157	1,156

Grants payable amounts are summarised below:

	2023 £'000	2022 £'000
Grants payable		
Balance brought forward	3,991	6,591
External grants awarded	2,402	4,532
Amounts defrayed	(3,849)	(7,132)
Balance carried forward	2,544	3,991
Balance carried forward		
due within one year	2,283	2,835
due after one year	157	1,156
Total	2,440	3,991

11. Creditors (Charity)

	2023 £'000	2022 £'000
Due within one year		
Trade creditors	552	528
Grants payable	2,283	2,835
Accruals	154	394
Other creditors	96	195
	3,085	3,952
Due after one year		
Grants payable	157	1,156
Total	157	1,156

12. Related party transactions

Related Party Transactions are disclosed within the Financial Review.

13. Group Funds

	2023				2022			
	Endowment funds	Other restricted funds	Unrestricted Funds	Total	Endowment funds	Other restricted funds	Unrestricted Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Allocation of assets by fund								
Intangible assets	15	–	–	15	42	–	–	42
Tangible assets	10	–	–	10	28	–	–	28
Investments	–	–	–	–	11,780	–	–	11,780
Share of joint venture net assets	933	–	–	933	5,147	–	–	5,147
Current assets	22,968	829	0	23,797	9,235	707	35	9,977
Current liabilities	(3,302)	–	–	(3,302)	(3,952)	–	–	(3,952)
Liabilities falling due after one year	(157)	–	–	(157)	(1,156)	–	–	(1,156)
	20,467	829	0	21,296	21,124	707	35	21,866

Movement in 2023	Balance b/f	Income	Expenditure	Investment gains	Transfers	Balance c/f
	£'000	£'000	£'000	£'000	£'000	£'000
Expendable endowment						
The National Lottery Community Fund "Capital Fund"	21,124	–	–	–	(657)	20,467
The National Lottery Community Fund "Income Fund"	–	375	(2,678)	1,647	657	–
Total endowment funds	21,124	375	(2,678)	1,647	–	20,467
Restricted funds						
TNLCF – 5 year strategy from 2021	452	6,442	(6,065)	–	–	829
Open Society Foundations	255	–	(255)	–	–	–
Total restricted funds	707	6,442	(6,320)	–	–	829
Unrestricted funds	35	3	(38)	–	–	0
Total funds	21,866	6,820	(9,036)	1,647	–	21,296

Movement in 2022	Balance b/f	Income	Expenditure	Investment gains	Transfers	Balance c/f
	£'000	£'000	£'000	£'000	£'000	£'000
Expendable endowment						
The National Lottery Community Fund "Capital Fund"	24,513	–	–	–	(3,389)	21,124
The National Lottery Community Fund "Income Fund"	–	115	(4,016)	512	3,389	–
Total endowment funds	24,513	115	(4,016)	512	–	21,124
Restricted funds						
TNLCF – 5 year strategy from 2021	666	6,634	(6,848)	–	–	452
GLA – Boosting Community Enterprise	60	(52)	(8)	–	–	–
Open Society Foundations	783	411	(939)	–	–	255
Other research and HSC work	–	–	–	–	–	–
Total restricted funds	1,509	6,993	(7,795)	–	–	707
Unrestricted funds	–	53	(18)	–	–	35
Total funds	26,022	7,161	(11,829)	512	–	21,866

14. Operating Leases

At the end of the period, the group had future minimum commitments under operating leases (related to our three office locations) as follows:

	2023 £'000	2022 £'000
Payment due:		
Within one year	49	78
Within two to five years	–	45
Over five years	–	–
	49	122

15. Contingent Liabilities

At the end of the period, the group had future contingent liabilities in relation to three programmes of activities (Community Shares, Kindred and Power Up) amounting to £1,253,559. These relate to possible obligations which may arise as a result of uncertain future events that are not wholly within the control of the Charity, for example future onward grants.

16. Status of the Charity

Power to Change Trustee Ltd (Company No. 8940987) is the corporate trustee of Power to Change Trust. The Charity came into existence on 21 January 2015 upon receipt of the endowment of £149,204,000 from The National Lottery Community Fund.

17. Prior year statement of Financial Activities

Consolidated Statement of Financial Activities

for the year to 31 December 2022

		Endowment funds	Restricted funds	Unrestricted funds	2022 Total funds	2021 Total funds
	Notes	£'000	£'000	£'000	£'000	£'000
Income from:						
Donations	2	–	–	–	–	21
Charitable activities	2	–	6,993	53	7,046	5,637
Interest and investments	2	115	–	–	115	49
Total income		115	6,993	53	7,161	5,707
Expenditure on:						
Raising funds		–	80	–	80	57
Existing programmes		4,153	7,052	18	11,224	9,386
Closing programmes		(137)	662	–	525	6,412
Total expenditure	3, 5, 6	4,016	7,794	18	11,829	15,855
Net gains / (losses) on investments	9	512	–	–	512	148
Net (expenditure) / income	4	(3,389)	(802)	35	(4,156)	(10,000)
Transfers between funds	13	–	–	–	–	–
Net movement in funds		(3,389)	(802)	35	(4,156)	(10,000)
Reconciliation of funds						
Total funds brought forward		24,513	1,509	–	26,022	36,022
Total funds carried forward	13	21,124	707	35	21,866	26,022

**Power to
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Power to Change Trustee LTD is a company limited by
guarantee, registered in England and Wales, no. 08940987

Power to Change is a registered charity, no. 1159982

