HEART OF ENGLAND COMMUNITY FOUNDATION

England & Wales · Charity number 1117345

Details

Status	Registered
Legal form	Charitable company
Company number	05999452
Registered	2006-12-20
Register	View on the Charity Commission register

Contact

Address	c/o Stellantis Pinley House Sunbeam Way Coventry CV3 1ND
Phone	02477800520
Email	tina@heartofenglandcf.co.uk
Website	www.heartofenglandcf.co.uk

Activities

Objects: (A) THE PROMOTION OF ANY CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY IN THE CITY OF COVENTRY, THE COUNTY OF WARWICKSHIRE AND ELSEWHERE IN THE UNITED KINGDOM ("THE AREA OF BENEFIT") AND IN PARTICULAR THE ADVANCEMENT OF EDUCATION THE PROTECTION OF GOOD HEALTH BOTH MENTAL AND PHYSICAL AND THE RELIEF OF POVERTY AND SICKNESS;(B) OTHER EXCLUSIVELY CHARITABLE PURPOSES WHICH ARE IN THE OPINION OF THE TRUSTEES BENEFICIAL TO THE COMMUNITY IN THE AREA OF BENEFIT.

Activities: Manage funds on behalf of a range of donors who want to invest in their local communities, supporting hundreds of grassroots organisations every year to make their communities a better place to live, work and play. We aim to make a real difference at a local level across the areas we support.

Downloaded from opencharities.uk/ew/1117345

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** CITY OF COVENTRY, WARWICKSHIRE AND ELSEWHERE IN THE UNITED KINGDOM
- Birmingham City
- Coventry City
- Dudley
- Sandwell
- Solihull
- Walsall
- Warwickshire
- Wolverhampton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£13,559,348	£11,694,223	£28,034,360	16
2024-03-31	£15,620,667	£14,227,572	£26,649,204	14
2023-03-31	£6,635,825	£3,523,101	£23,582,405	11
2022-03-31	£4,190,592	£3,949,978	£21,467,356	11
2021-03-31	£7,420,126	£9,196,701	£20,304,767	16

Downloaded from opencharities.uk/ew/1117345

Trustees

Name	Role	Appointed
Jude Jennison	Chair	2017-12-07
ALETHEA FULLER		2021-06-10
Daniel Geoffrey William Boardman-Weston		2025-06-04
John Forde		2025-12-03
Matthew Rawle Inniss		2025-12-03
Michelle Vincent		2013-10-16
Richard Port MBE		2022-10-05

Downloaded from opencharities.uk/ew/1117345

HEART OF ENGLAND COMMUNITY FOUNDATION

England & Wales - Charity number 1117345

Accounts

heart of england
COMMUNITY FOUNDATION

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

REGISTERED CHARITY NO. 1117345
COMPANY REGISTERED NO. 5999452

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

Table of Contents

TRUSTEES AND STAFF 3

PROFESSIONAL ADVISORS 4

TRUSTEES' REPORT (including Directors' Report) 5

AUDITOR'S REPORT 15

STATEMENT OF FINANCIAL ACTIVITIES (FOR THE YEAR END 31 MARCH 2025) 20

STATEMENT OF FINANCIAL ACTIVITIES (FOR THE YEAR END 31 MARCH 2024) 21

BALANCE SHEET 22

STATEMENT OF CASH FLOW 23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 24

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
TRUSTEES AND STAFF
YEAR ENDED 31 MARCH 2025

Registered Office: Stellantis
Pinley House, Sunbeam Way
Coventry CV3 1ND

Corporate Patron: Stellantis
Patron: Mrs Sally Carrick

Presidents: Tim Cox, the Lord Lieutenant of Warwickshire
Sir John Crabtree OBE

Trustees:	
Mr Christopher West	Chair
Ms Michelle Vincent	Treasurer
Mr Paul Belfield	
Mr Amrik Bhabra MBE	Resigned 16th October 2024
Ms Lucie Byron	Resigned 16th October 2024
Ms Jude Jennison	
Mr Daniel Worthing	Resigned 16th October 2024
Mr Calum Nisbet	
Ms Alethea Fuller	
Ms Cleo Morris	Resigned 16th January 2025
Mr Richard Port MBE	
Mr Daniel Boardman-Weston	Appointed 4th June 2025

Senior Staff:	
Tina Costello OBE	Chief Executive Officer
Helen Kendrick	Senior Manager Operations
Samantha Davis	Senior Manager Operations (Maternity Cover)
Shamiela Ahmed	Senior Manager Programmes
Jayne Taylor-Farren	Senior Manager Finance
Ryan Boyce	Senior Manager Communications - Resigned 20th September 2024
Charleene Jefferson	Secretary

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
PROFESSIONAL ADVISORS
YEAR ENDED 31 MARCH 2025

Auditors:

Dafferns Audit Limited
One Eastwood, Harry Weston Road
Binley Business Park
Coventry, West Midlands
CV3 2UB

Investment Managers:

James Hambro & Partners LLP
45 Pall Mall
London
SW1Y 5JG

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Rathbones
Temple Point
1 Temple Row
Birmingham
B2 5LG

Bankers:

CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling, Kent
ME19 4JQ

Santander Bank
Bootle
Merseyside
L30 4GB

Solicitors:

Wright Hassall LLP
Olympus Avenue
Leamington Spa
Warwickshire
CV34 6BF

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
TRUSTEES' REPORT (including Directors' Report)
YEAR ENDED 31 MARCH 2025

The Trustees have pleasure in presenting their Annual Report along with the financial statements of the charity for the year ending 31 March 2025.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland as amended for accounting periods commencing on or after 1 January 2019 and the Companies Act 2006.

1. Structure, Governance and Management

1.1 Objects and Activities

The objects of the Community Foundation are defined in its Memorandum and Articles of Association. The Community Foundation manages a diverse portfolio of grant programmes working with a range of donors to provide charitable and philanthropic services across the geographical areas of Birmingham, Black Country, Coventry, Solihull, and Warwickshire. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the current aims and objectives and in planning future strategies and setting grant making policies.

Our activities are determined by our charitable objectives:

- The promotion of any charitable purposes for the benefit of communities within the County of West Midlands and Warwickshire and elsewhere in the United Kingdom and in particular, the advancement of education, the protection of good health and the relief of poverty and sickness.
- Any other exclusively charitable purposes, which are, in the opinion of the Trustees, beneficial to the community in the area of benefit.

The Foundation exists to support the local voluntary and community sector across the West Midlands and Warwickshire. We work with a range of donors to offer bespoke, tailored philanthropic services. We aim to inspire and encourage local giving; we are advocates for smaller organisations who are often under the radar of national funders but making a huge difference at the heart of their communities.

The Foundation primarily supports not for profit organisations with grants which make an impact at a local level. We endeavour to have a balanced portfolio of grant programmes which enables us to fund a wide cross section of organisations supporting those most in need.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by the Heart of England Community Foundation and in planning future activities. The benefits of our activities are described in this Annual Report and relate directly to our aims and objectives.

1.2 Board Appointments

At each AGM, one third of the Trustees must retire, those longest in office retiring first.

The Board of Trustees meet on a quarterly basis.

Our AGM was held on 16th October 2024, during which Dan Worthing, Amrik Bhabra and Lucie Byron resigned from the board. The Trustees would like to thank them for their invaluable time and commitment to the Foundation.

A resignation was also received from Cleo Morris who resigned from the board on 16th January 2025. We'd like to thank Cleo for her advice and guidance on diversity, equity and inclusion.

Daniel Boardman-Weston was appointed as a Trustee on 4th June 2025, Dan brings extensive experience in investment management and will play a key role on our Finance, Audit and Risk Committee.

The names of the Trustees who have served throughout the financial year and to the date of this report are shown on page 3. All Trustees have a full induction, are regularly updated on the operational running of the Foundation and have opportunities to play key roles in shaping the development and future strategy of the Foundation.

1.3 Board Subcommittees

During the year, the Board undertook a governance review to ensure our structures remain effective and fit for purpose. As a result, we streamlined our committee arrangements. We now have two sub-committees, Finance, Audit and Risk and Grants Sub Committee.

The full Board of Trustees has assumed the functions previously delegated to the Management Committee and is now collectively responsible for all aspects of the Foundation's governance.

Finance, Audit and Risk Committee -Responsibilities:

Finance and Audit

- Approve and monitor the Foundation's annual budget
- Review statutory accounts and recommend to Board for ratification
- Recommend the appointment of external auditors
- Discuss and agree the scope of the external audit

- Review of auditor's annual management letter and recommendations
- Review and monitor the financial controls of the Foundation
- Consider appropriate use of unrestricted core income
- Recommend use of surplus funds
- Set up of designated funds
- Review quarterly management accounts
- Analyse forecast against actual annual budget
- Monitor and review finance resources
- Review financial policies and recommend for approval by Board
- Review compliance with relevant laws, regulations and internal policies

Investments

- Monitor the Quarterly investments returns and endowment performance
- Compare and contrast Investment Managers and instigate tendering processes for new investment houses
- Maximise interest income
- Review investment strategy
- Invite Investment Managers to annual meetings
- Review asset class investments
- Review Investment policies and recommend for approval by Board
- Review compliance with relevant laws, regulations and internal policies

Risk

- Monitor the risk management processes of the Foundation
- Review and monitor the risk register
- Approve changes to risk ratings
- Scrutinise new risks
- Approve removal of risks from the risk register
- Review Risk Management policies and recommend for approval by Board
- Review compliance with relevant laws, regulations and internal policies

Board of Trustees - Responsibilities:

- Set the vision, values and strategy of the Foundation
- Ensure that the Charity remains value led and vision focussed
- Monitor progress and performance against our strategic business plan
- Ensure that the Charity is compliant with the Companies Act 2006, Charity Law and governance
- Approval of new and revisions to policies and procedures
- Ensure that the Charity complies with its Memorandum and Articles of Association
- Act at all times in the best interest of the Charity
- Set and ratify decisions made at the Charity's Sub Committees including approval of grants
- Oversee the Charity's property portfolio and compliance with the required property law
- Oversee the Charity's assets and financial portfolio

- Approve the programmes, tenders and contracts in line with the Charity's delegation of authority policy
- Ratify the Statutory Accounts and appoint auditors
- Approve formal HR changes such as staffing re-structures
- Approve pay structure and awards for staff
- Ensure compliance with Health and Safety policies and legal obligations
- GDPR compliance and associated risks

Grant Sub-Committees

As a grant-making charity, we have reviewed our processes to identify more effective ways to serve our communities. While our existing procedures remain in place, we have introduced a system of full officer delegation, with decisions subject to Trustee ratification. This change is designed to streamline our processes and enable faster decision-making for applicant organisations.

The Foundation has a number of donor directed panels, in which donors make decisions on their funding programme, with full secretariat provided by the Foundation.

The Trustees would like to thank our fantastic volunteers who have given their valuable time, commitment and knowledge to support our decision making.

1.4 Business Planning

Over the past year, our Board of Trustees and Senior Leadership Team have worked collaboratively to develop a new five-year strategy. This process included a staff team away day to reflect and plan together, as well as consultation with key stakeholders to ensure the strategy is informed, relevant, and responsive to the needs of the communities we serve.

The Foundation is unique in its understanding of our local communities and the challenges they face. We have a clear five-year strategy which ensures we are fit for the future, builds on our strengths while responding proactively to the emerging needs of our communities.

Over the next five years

- we aim to transform our grant-making to be even more accessible, responsive, and effective—making it easier for local groups to secure the support they need.

- grow and diversify our funding base to distribute £25 million in grants, ensuring we reach more communities, especially those most in need.

- celebrate our donors and supporters, strengthening those vital relationships while attracting new partners who share our vision and values.

- operational excellence will be central to our work. We will invest in our staff and Board, embrace best practice in governance, and adopt new systems to improve the way we work.

- Sustainability is also embedded throughout our strategy; we will integrate Environmental, Social, and Governance (ESG) priorities across our operations, investments, and grant-making, contributing to the UN Sustainable Development goals at a local level.

Ultimately, our strategy is about making our mission a lived reality: supporting communities to create a fairer, happier, and healthier region where everyone has equal access to opportunities, experiences genuine wellbeing, and feels part of a vibrant local community.

We hope to attract new donors, retain our existing donors and grow our income base to ensure we can continue to respond to our community needs.

1.5 Risk Management

The principal identified risks to which the Foundation are exposed are integrated into the business plan to ensure they are regularly reviewed. The Foundation also maintains a risk register which is reviewed every six-months at Finance, Audit and Risk Committee.

We continue to review and amend our risk register.

1.6 Pay Policy for Senior Staff

The Trustees consider the senior management team to comprise the key personnel of the Charity in charge of directing, running, and operating the Charity on a day-to-day basis. The pay of senior staff is reviewed annually by the Trustee Board and is based on performance and average earnings across the sector.

1.7 Fundraising Regulator Statement of Compliance

Heart of England Community Foundation does not contract to a third party to undertake any fundraising on its behalf. The charity does employ a Senior Marketing Officer who initiates campaigns and supports fundraising activities. We have received no fundraising complaints during the year.

The charity only makes fundraising approaches to contacts who have given explicit consent to receive such campaign documentation under GDPR guidelines.

2. Strategic Report

During the year the Foundation continued to deliver impact through targeted grant-making, strategic partnerships and ongoing engagement with stakeholders. The Foundation is committed to ensuring that, in a changing external environment, the new strategy will strengthen our resilience and focus our resources to meet the needs of our beneficiaries.

Achievements and Financial Performance for 2024 - 25

The Foundation continued with the delivery of the Inclusive Communities Fund, which was reported in the 2023-2024 annual trustee report. In total over £11 million was distributed to 388 organisations across the Region. We are incredibly proud that the Foundation has demonstrated its ability to manage large scale grant programmes to incredibly tight deadlines.

The Foundation has commissioned an independent evaluation from Forever Consulting to help us understand the effectiveness of our grant-making, capture the outcomes and experiences of funded organisations and communities, and identify learning to inform our future work. By investing in a robust evaluation, we aim to demonstrate accountability for this significant public investment and strengthen our commitment to funding that is responsive, equitable, and evidence led.

During the year, the Foundation was fortunate to deliver several large-scale grant programmes in collaboration with key local authority partners, including Birmingham City Council and Solihull Metropolitan Borough Council.

Working in partnership with Birmingham City Council, the Foundation has delivered Birmingham Fairer Futures which focuses on addressing health inequalities for communities of identity in specific localities across Birmingham.

Again, working with Birmingham City Council, we delivered the Income Maximisation Fund, ensuring that individuals and families in need were receiving the correct advice and guidance in terms of their income.

We continue to deliver a range of programmes as part of Birmingham City Council's Neighbourhood Network Schemes and have built some long-lasting relationships with our NNS partners.

Our partnership with Solihull Metropolitan Borough Council has continued to flourish and we have delivered various programmes to benefit their residents. Solihull Fairer Futures Fund focusing on health inequalities, Solihull Community Building Programme to improve community spaces and Solihull Winter Prevention Fund to support people through the winter months.

We are incredibly grateful to work in partnership with our local authorities, and we hope to develop further relationships with other local authorities across our region.

The Department of Culture, Media and Sport Know Your Neighbourhood Fund has been a resounding success. With a focus on Wolverhampton, the programme has increased volunteering opportunities, reduced loneliness and isolation and enabled organisations to pilot a variety of new initiatives to support their local communities.

The Foundation continues to work in partnership with our corporate partners, Wesleyan Assurance, IM Properties and Coventry Building Society. It is refreshing to work in partnership with businesses who have a real, genuine focus on social investment and wellbeing for communities.

In addition, we launched the South Birmingham Friends Fund and the Coventry Community Fund, both long term investment funds providing vital financial resource in perpetuity.

We are incredibly grateful to the donors who choose to work with us to deliver their funding to where it is most needed. By entrusting the Foundation with their charitable funds, our donors enable us to channel vital resources into local communities, changing lives, tackling need and creating lasting change.

The Trustees would like to sincerely thank our partners, stakeholders, friends and supporters of our work for supporting our mission and amplifying the power of local giving.

Key Performance Measures

The Foundation has several significant projects in 2025 - 26, including a new CRM system which we hope will support the transformation of our grant making both internally and for our communities who apply for funds.

Human Resources

The Foundation team is in a good, stable position in terms of the staff team, and we look forward to our Senior Manager of Operations returning from maternity leave later in 2025.

We have created a new position of Business Support Assistant who has a varied role in supporting the wider work of the Foundation.

Financial Review

Incoming Resources

The Foundation's total incoming resources for 2024-25 were £13,559,348 (2023-24 £15,620,667) and the overall funds of the foundation increased by £1,385,156 to £28,034,360.

Endowed Donations

Following a period of significant growth in our endowments, 2024-25 endowment income remained static. A strategic objective for the next five years is to grow our long-term investments, ensuring not only the sustainability of the Foundation but a long-term source of funding for communities.

Investments

The Foundation's investment policy, updated and reviewed every three years, is for a balanced portfolio which produces reasonable income for grant making whilst growing the value of the assets to protect them against the effects of inflation or other defining factors in the longer term. This is considered a relatively low risk approach.

Our stock market investments are managed by James Hambro, CCLA and Rathbones. Performance is benchmarked against the FTSE APCIMS (Association of Private Client Investment Managers) Index.

Investment performance over the 12-month period ending 31st March 2025 was affected by significant economic and world events. The resulting instability was reflected in a fall in investment values during the last quarter. The markets have since stabilised.

The net loss on investments was £479,969 (£1,673,704 gain in 2023-24).

Grants

The total grant income for 2024-25 was £11,127,378 (2023-24 £13,604,371). Total grant expenditure was £10,560,159 (2023-24 £13,111,457), a full report on the foundation's discretionary grant making will be available on our website.

Restricted Core Income

Restricted core income in 2024-25 was £73,553 (2023-24 £70,050).

Unrestricted Core Income

Our unrestricted core income this year is derived from several sources, our investments, general donations, rented properties and grant making contract fees. The delivery of programmes on behalf of donors such as Wesleyan Assurance, Coventry Building Society, West Midlands Combined Authority, Solihull MBC and Birmingham City Council support our operating costs.

The balance of our unrestricted income is, at present, used to meet core expenditure which is not covered by restricted income. Unrestricted income for 2024-25 was £1,957,908 (2023-24 £1,198,912) This increase is largely due to the significant local authority contracts that were delivered during the financial year.

We are eternally grateful to all the donors who choose to work with us, A particular thank you goes to 29th May 1961 Charitable Trust for their annual unrestricted donation.

The Foundation made an operating gain on unrestricted general funds of £511,909 (2023-24 £325,825). An increase in the number and size of local authority contracts during the year contributed to this healthy gain and will enable the Foundation to meet its financial obligations and invest in an ambitious strategy for growth over the next five years.

Designated Funds

Our designated funds as of 31st March 2025 totalled £1,413,772 (31st March 2024 £1,185,894). These include the current value of £742,937 (2024 - £764,575) from the Youell Legacy plus funds of £583,335 (2024 - £421,319) for the delivery of grant programmes in 2025-26 and £87,500 designated for costs on specific projects. These funds are not regarded as free reserves by the Trustees.

Principal Risks and Uncertainties

The Foundation has considered the principal risks and uncertainties and are satisfied that appropriate systems and policies are in place to manage these effectively.

Key risks include

- Financial Sustainability: Potential fluctuations in income due to economic conditions and donor behaviour. This is mitigated through diversified funding and prudent financial management.
- Governance and Leadership: Succession planning for trustees and senior staff impacting on governance, continuity and strategic delivery. This is mitigated through proactive planning and governance oversight.
- External Environment: Uncertainties arising from political, social and environmental developments could affect the funding landscape and the needs of our beneficiaries. The Foundation mitigates this risk through flexible processes and continuous assessment of the developments.

3. Reserves Policy

A considerable part of the Foundation's income is derived from unrestricted core donations of which there is no certainty and management fees for the delivery of flow through grant programmes which are usually time bound. The Trustees believe it to be necessary to retain sufficient free reserves to maintain the Foundation operationally between the times such schemes end, and new programmes come on board. New funding streams are often subject to competitive tendering and cannot be relied upon with certainty. Free reserves must also be retained to cover statutory obligations to our staff should that prove necessary.

It is therefore the policy of the Foundation to maintain, always, free reserves of no less than the equivalent of six months core (support and governance) costs. At the 31 March 2025, total reserves were £28,034,360 (2024 - £26,649,204) of which endowed funds were £20,875,417 (2024 - £21,411,109) and restricted funds were £4,157,040 (2024 - £2,975,979). Of the remaining unrestricted funds totalling £3,001,903 (2024 - £2,262,116), £1,413,772 (2024 - £1,185,894) has been designated by Trustees. The actual free reserves at the end of the fiscal year equate to £1,588,131 (£1,076,222). However, £345,530 (2024 - £350,303) of these free reserves represent non-liquid fixed assets. The balance of £1,242,601 (2024 - £725,919) is 18 (2024 – 7) months of budgeted core costs for 2025-26.

4. Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

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

5. Auditors

A resolution to re-appoint Dafferns Audit Limited as the Charity's auditor will be proposed at the forthcoming Annual General Meeting.

This report (incorporating the directors' report and the strategic report) was approved by the Board of Trustees and authorised for issue on 22nd October 2025 and signed on its behalf by:

Chris West
Chair

Opinion

We have audited the financial statements of The Heart of England Community Foundation (the 'charitable company') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, 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 charitable company's affairs as at 31 March 2025, and of its incoming resources 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 Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and strategic report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

- enquiry of management around actual and potential litigation and claims;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.

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

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/library/ standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/. This description forms part of our auditor's report.

Use of our report

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

Signed: 

Geoffrey Cox BA FCA (Senior Statutory Auditor)

For and on behalf of Dafferns Audit Limited

One Eastwood, Harry Weston Road,
Binley Business Park, Coventry
CV3 2UB

Date: 22 October 2025

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2025

Note: For Companies Act purposes the surplus for the year (excluding the net movement of endowment funds) was £1,920,848 (2024 surplus £1,121,164). There were no discontinued activities during the year. The Statement of Financial activities includes all gains and losses recognised during the year. Prior year comparatives are shown on page 21.

		Unrestricted			Restricted Funds		
Income and Endowments		General Funds £	Designated Funds £	Restricted Costs £	Distributable Grants £	Endowment Funds £	2025 £
Donations and legacies	2	73,872	-	73,553	39,281	3,911	190,617
Income from grant contracts	3	1,346,359	-	-	11,127,378	-	12,473,737
Rental Income		121,319	-	-	-	-	121,319
Investment Income		176,582	17,472	-	339,845	-	533,899
Bank Interest		237,518	-	-	-	-	237,518
Other Income		2,258	-	-	-	-	2,258
Total Income and Endowments		1,957,908	17,472	73,553	11,506,504	3,911	13,559,348
Expenditure							
Raising Funds	4	71,690	-	7,075	-		78,765
Investment Management Costs		-	5,840	-	-	75,432	81,272
Charitable Activities - Grants	5	-	1,000	-	10,559,159	-	10,560,159
Charitable Activities - Grant Management costs		184,016	-	-	-	-	184,016
Charitable Activities - Property Management costs		10,846	-	-	-	-	10,846
Charitable Activities - Support costs	6	700,447	-	66,478	240	-	767,165
Governance	9	12,000	-	-	-	-	12,000
Total Expenditure		978,999	6,840	73,553	10,559,399	75,432	11,694,223
Net Gain/(Loss) on investment assets	12	-	(15,798)	-	-	(464,171)	(479,969)
Net Income/(Expenditure)		978,909	(5166)	-	947,105	(535,692)	1,385,156
Transfers between funds	10	(467,000)	233,044	-	233,956	-	-
Net Movement in Funds		511,909	227,878	-	1,181,061	(535,692)	1,385,156
Funds at 31 March 2024		1,076,222	1,185,894	-	2,975,979	21,411,109	26,649,204
Funds at 31 March 2025		1,588,131	1,413,772	-	4,157,040	20,875,417	28,034,360

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2024

Note: For Companies Act purposes the surplus for the year (excluding the net movement of Endowment Funds) was £1,121,164 (2023 deficit £492,451). There were no discontinued activities during the year. The Statement of Financial Activities includes all gains and losses recognised during the year.

		Unrestricted		Restricted Funds			
		General Funds	Designated Funds	Restricted Costs	Distributable Grants	Endowment Funds	2024
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	98,511	-	70,050	29,059	393,798	591,418
Income from grant contracts	3	649,007	-	-	13,604,371	-	14,253,378
Rental Income		124,739	-	-	-	-	124,739
Investment Income		151,110	13,167	-	311,310	-	475,587
Bank Interest		174,045	-	-	-	-	174,045
Other Income		1,500	-	-	-	-	1,500
Total Income and Endowments		1,198,912	13,167	70,050	13,944,740	393,798	15,620,667
Expenditure							
Raising Funds	4	60,445	-	-	-	-	60,445
Investment Management Costs		-	4,291	-	-	57,552	61,843
Charitable Activities - Grants	5	-	300	-	13,111,157	-	13,111,457
Charitable Activities - Grant management costs		232,156	-	-	-	-	232,156
Charitable Activities - Property Management costs		26,312	-	-	-	-	26,312
Charitable Activities - Support costs	6	617,056	-	70,050	79	-	687,185
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		-	-	36,174	-	-	36,174
Governance	9	12,000	-	-	-	-	12,000
Total Expenditure		947,969	4,591	106,224	13,111,236	57,552	14,227,572
Net Gain/(loss) on investment assets	12	-	64,315	-	-	1,609,389	1,673,704
Net Income/(expenditure)		250,943	72,891	(36,174)	833,504	1,945,635	3,066,799
Transfers between funds	10	74,882	(112,005)	12,623	24,500	-	-
Net Movement in Funds		325,825	(39,114)	(23,551)	858,004	1,945,635	3,066,799
Funds at 31 March 2023		750,397	1,225,008	23,551	2,117,975	19,465,474	23,582,405
Funds at 31 March 2024		1,076,222	1,185,894	-	2,975,979	21,411,109	26,649,204

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31 March 2025		31 March 2024	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	11		1,194,027		1,194,779
Investments					
Investment properties	12	1,587,008		1,582,000	
Listed investments	12	18,846,517		19,575,829	
Cash at Investment Managers		373,575		110,357	
			20,807,100		21,268,186
			22,001,127		22,462,965
Current Assets					
Cash at Bank and in hand		7,419,453		9,945,997	
Debtors	13	1,080,894		1,718,497	
		8,500,347		11,664,494	
Creditors: amounts falling due within one year	14	1,950,996		7,478,255	
Net Current Assets			6,549,351		4,186,239
Creditors: amounts falling due over one year	14		516,118		
Net Assets			28,034,360		26,649,204
Funds of the Charity					
Capital Funds					
Endowment Funds	16		20,875,417		21,411,109
Income Funds					
Restricted Funds	17		4,157,040		2,975,979
Unrestricted Funds (Designated)	18	1,413,772		1,185,894	
Unrestricted Funds (General)		1,588,131		1,076,222	
Total unrestricted Funds			3,001,903		2,262,116
Total Funds			28,034,360		26,649,204

The financial statements were approved by the trustees and authorised for issue on 22nd October 2025 and are signed on their behalf by

Chris West | Chairman

Michelle Vincent | Trustee

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Cashflow from operating activities	20	(3,396,754)	6,005,627
Net cash flow from operating activities		(3,396,754)	6,005,627
Cash flow from investing activities			
Payment to acquire tangible fixed assets	11	-	(8,629)
Payments to acquire investments	12	(1,354,715)	(2,424,406)
Capital Improvements to investment properties	12	(5,008)	-
Receipts from sales of investments	12	1,604,058	2,007,696
Interest received		237,518	174,045
Dividends received		526,345	475,587
Rents received form investment properties		121,319	124,739
Net cash flow from investing activities		1,129,517	349,032
Cash flow from financing activities			
Receipt of permanent endowments		3,911	393,798
Net cash flows from financing activities		3,911	393,798
Net (decreasing)/increase in cash and cash equivalents		(2,263,326)	6,748,457
Cash and cash equivalents at 1 April 2024		10,056,354	3,307,897
Cash and cash equivalents at 31 March 2025		7,793,028	10,056,354
Cash and Cash equivalents consist of:			
Cash at bank and in hand		7,419,453	9,945,997
Short term deposits		373,575	110,357
Cash and cash equivalents at 31 March 2025		7,793,028	10,056,354

1. Accounting Policies

Basis of preparation

Heart of England Community Foundation is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to act as a conduit for philanthropy, linking private and public funders with small community projects across the county of West Midlands.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods commencing on or after 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and after performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Reports.

For legacies entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance costs. Overhead and support costs relating to charitable activities have been apportioned on a basis consistent with the use of resources.

Charitable activities
Costs of charitable activities include grants made and support costs as shown in note 6.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Fundraising Costs

Fund-raising costs are those which are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.
The analysis of these costs is included in note 4.

Endowment funds

These funds include expendable endowments which arose from grants and donations given specifically to be held as capital unless the Trustees resolve they may be spent. It is the intention of the Trustees that these funds be maintained for the foreseeable future. Grants are funded from the income generated from the capital investments. There can be an initial period of income accumulation in accordance with the donor's wishes.

Restricted funds

These funds are received for specific purposes set by the grant funders or donors. These include funds received to enable grants to be paid to beneficiaries and meet the cost of projects and, in addition, funds received towards the Foundation's operating costs in managing those grants and projects.

Designated funds

These funds are unrestricted funds set aside by the Trustees for specific purposes.

Investments

Investments in listed securities and properties are shown on the balance sheet at their open market value. Profits and losses on sales of investments and the movements in market value are taken to the Statement of Financial Activities. Property in course of construction is valued at cost.

Fixed assets and depreciation

No depreciation is provided against the cost of land. Operational assets costing less than £1,000 are written off in full through the Statement of Financial Activities in the year of purchase. Depreciation is provided by the Foundation to write off the cost less the estimated residual value of other operational fixed assets by equal instalments over their useful economic lives as follows:

Office and computer equipment - 4 years

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised in expenditure.

Pension schemes

The charity operates defined contribution pension schemes. Contributions payable in the year are charged in the Statement of Financial Activities.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The trustees have considered the level of funds and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Financial instruments

Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Other financial assets, including investments in equity instruments and which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss.

Financial liabilities
Basic financial liabilities, including trade and other payables, and bank loans that are classified as debt are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Donations and Legacies

Donors contributed to the following restricted funds during the period:

	Core Costs £	Distributable Grants £	Total 2025 £	Total 2024 £
High Sheriff of Warwickshire	-	583	583	1,191
International Children's Games	-	17,562	17,562	13,376
JLR Solihull Employees Charity Fund	-	881	881	787
Leamington Fund	-	1,981	1,981	2,351
PSA Peugeot Citroen	73,553	-	73,553	70,050
R Medwell	-	-	-	2,000
Windsor Academy Trust Community Foundation	-	14,808	14,808	9,354
Women and Girls Fund	-	3,466	3,466	-
	73,553	39,281	112,834	99,109

Donations in kind

During the financial year PSA Peugeot Citroen (Stellantis) again provided office accommodation and facilities free of charge to the Foundation. The estimated value of these benefits is £73,553 (2024: £70,050) has been reflected in the Statement of Financial Activities as a donation and as support costs within the restricted core costs.

3. Income from Grant Contracts

	Core Costs £	Distributable Grants £	Total 2025 £	Total 2024 £
29th May 1961 Charitable Trust	-	19,500	**19,500**	24,000
Birmingham Fairer Futures - Citywide	166,917	1,645,082	**1,811,999**	-
Birmingham Fairer Futures - Locality	96,099	819,333	**915,432**	-
Building Better Opportunities Fund	-	-	-	(9,701)
Breathe Better Air Fund	-	(22,729)	**(22,729)**	79,166
Bretherton	-	-	-	3,000
Bristol and West	-	-	-	598
Care Leavers Fund	2,500	25,000	**27,500**	-
Community Energy Warwickshire	1,670	15,034	**16,704**	8,109
Community Environment Fund	48,651	486,596	**535,247**	466,163
Coventry Building Society	8,539	83,064	**91,603**	88,324
Coventry Community Fund	-	-	-	7,750
DCMS Cost of Living Fund	-	-	-	(16,754)
Deutsche Bank	2,000	18,000	**20,000**	30,000
Dulverton Trust	11,033	99,299	**110,332**	110,332
Greggs Foundation	-	-	-	19,800
Gowlings	-	-	-	11,000
Helping Hearts		30,000	**30,000**	-
IM Community Fund	10,000	100,000	**110,000**	199,500
Inclusive Communities Fund	687,143	4,727,946	**5,415,089**	7,412,552
Income Maximisation Fund	60,325	-	**60,325**	994,424
Kinghurst Fund	-	(9,700)	**(9,700)**	10,000
Know Your Neighbourhood	36,167	10,750	**46,917**	1,204,401
Love My Keresley Community	-	-	-	(18,200)
NHS - Small Grants	6,471	2,623	**9,094**	72,049
NNS - Birmingham City Council	34,460	391,000	**425,460**	434,085
NNS Microgrants	2,000	20,000	**22,000**	-
Orbit - Individual Grants	-	-	-	(44)
Orbit Extension Hardship Fund	-	-	-	102,645
Orbit Furnish Homes	-	-	-	(11,576)
Orbit Hardship Trust	-	-	-	(38,683)

	Core Costs £	Distributable Grants £	Total 2025 £	Total 2024 £
Peddimore Fund	2,250	-	**2,250**	27,750
PHP Fund	-	-	**-**	95,000
Positive Futures	10,000	90,000	**100,000**	92,500
Solihull Community Buildings	25,000	258,720	**283,720**	-
Solihull Fairer Futures Fund	8,000	15,283	**23,283**	208,000
Solihull Hong Kong Fund	-	-	**-**	30,000
Solihull Warm Welcome Hub Fund	-	-	**-**	55,243
Solihull Winter Support	5,000	50,000	**55,000**	-
St George Earl	2,800	25,200	**28,000**	-
The David East Fund	-	-	**-**	18,000
Tipton Education Fund	1,300	11,700	**13,000**	13,500
Together in Solihull Afghan Fund	-	-	**-**	19,929
Together in Solihull Asylum Seekers Fund	360	4,500	**4,860**	19,929
Together in Solihull Ukraine Fund	960	12,000	**12,960**	49,805
Warwickshire County Council Social Fabric Fund	67,120	1,240,000	**1,307,120**	1,327,120
Wesleyan	49,594	847,100	**896,694**	852,610
WMCA Green Grants	-	82,077	**82,077**	261,052
Women and Girls Fund	-	30,000	**30,000**	-
	1,346,359	**11,127,378**	**12,473,737**	**14,253,378**

4. Fundraising Costs

	Unrestricted	Restricted	Total 2025	Total 2024
	£	£	£	£
Staff Costs (Note 7)	61,595	-	61,595	47,321
Other costs	10,095	7,075	17,170	13,124
	71,690	7,075	78,765	60,445

5. Grants

	Total 2025	Total 2024
	£	£
Grants awarded - restricted funds	10,559,159	1,311,157
Grants awarded - designated funds	1,000	300
	10,560,159	1,311,457

For full details of grants awarded during the year please visit our website to download our 'Grants Making & Social Investment Report 2024/25' at www.heartofenglandcf.co.uk

6. Support Costs

	Grants	Administration	Total 2025	Total 2024
	£	£	£	£
Staff costs	314,812	263,967	578,779	502,966
Recruitment	475	8,640	9,115	28,056
PR and advertising	10,081	8,453	18,534	8,165
Training and conferences	2,087	1,750	3,837	1,673
Subscriptions	-	13,528	13,528	11,509
Travel and Subsistence	3,910	3,278	7,188	5,638
Meetings	220	184	404	1,919
Printing and stationary	457	383	840	3,805
Postage and telephone	3,482	2,920	6,402	6,568
Office equipment	25,996	21,798	47,794	36,835
Legal and Professional Fees	3,910	3,279	7,189	8,848
Rent and rates	4,412	-	4,412	5,178
Fixed asset depreciation	370	310	680	360
Office accommodation and Facilities (see note 2)	36,159	30,319	66,478	64,026
Sundry expenses	534	447	981	793
Insurance	546	458	1,004	846
	407,451	**359,714**	**767,165**	**687,185**

The Support costs are incurred from the following funds:

	Total 2025 £	Total 2024 £
Unrestricted General Fund	700,447	617,056
Restricted Core Fund	66,478	70,050
Restricted Grant Fund	240	79
	767,165	687,185

7. Staff numbers and costs

The average number of persons employed by the Foundation during the period was 16 (2024 – 14). The full-time equivalent number of employees was 15 (2024 – 12) and the aggregate payroll costs were as follows:

	Total 2025 £	Total 2024 £
Salaries	551,285	468,589
Agency staff costs	-	3,844
Social security costs	51,732	48,058
Other pension costs	37,357	29,796
	640,374	550,287
Support costs (see note 6)	578,779	502,966
Fundraising costs (see note 4)	61,595	47,321
	640,374	550,287

The number of employees earning over £60,000 per year (including benefits) in the period is as follows:

	2025 No	2024 No
£70,001-£80,000	-	1
£80,001-£90,000	1	-

8. Trustees' and key management personnel renumeration and expenses

The charity considers its key management personnel as Tina Costello OBE.

The total amount of employee benefits (including employers NI) received by key management personnel is £101,935 (2024: £94,636).

The Trustees did not receive any remuneration during the year (2024: £nil). No expenses were claimed during the year (2024: Nil).

a. Third party related transactions

The charity paid £11,286 (2024: £20,984), to Adecs Limited, a company related Amrik Bhabra, a former trustee, for IT services. The charity paid £2,398 (2024: £8,820) to Wright Hassall LLP, a company related to Lucie Byron, a former trustee.

9. Governance Costs

	Unrestricted	Total 2025	Total 2024
	£	£	£
Statutory audit fees	12,000	12,000	12,000
	12,000	12,000	12,000

The auditor's remuneration amounted to an audit fee of £12,000 (2024: £11,700) and other services of £nil (2024: £300).

10. Transfer between funds

	General	Designated	Core costs	Grants	Endowment Funds
	£	£	£	£	£
Transfer of Designated to Grants	-	(174,456)	-	174,456	-
Transfer of Unrestricted to Grants	(60,000)	-	-	60,000	-
Transfer of Grants to Unrestricted	500	-	-	(500)	-
Transfer from Unrestricted to Designated	(407,500)	407,500	-	-	-
	(467,000)	233,044	-	233,956	-

11. Tangible Fixed Assets

	Freehold Property	Computer Equipment	Total 2025	Total 2024
	£	£	£	£
Cost				
1 April 2024	1,192,200	28,900	1,221,100	1,212,471
Additions	-	-	-	8,629
31 March 2025	1,192,200	28,900	1,221,100	1,221,100
Depreciation				
1 April 2024	-	26,321	26,321	25,926
Charge for year	-	752	752	395
31 March 2025	-	27,073	27,073	26,321
Net Book value 31 March 2024	1,192,200	2,579	1,194,779	1,186,545
Net Book value 31 March 2025	1,192,200	1,827	1,194,027	1,194,779

12. Fixed Asset Investments

12.1 Listed Investments

	Managed by CCLA	Managed by Rathbones	Managed by James Hambro	Total 2025	Total 2024
	£	£		£	£
Market value at 1 April 2024	10,206,259	7,107,641	2,261,929	19,575,829	17,485,415
Additions at cost	79,988	505,054	769,673	1,354,715	2,424,406
Disposal proceeds	-	(842,066)	(761,992)	(1,604,058)	(2,007,696)
Gains/(losses)	(443,686)	(160,583)	124,300	(479,969)	1,673,704
Market value at 31 March 2025	9,842,561	6,610,046	2,393,910	18,846,517	19,575,829
Historical cost	6,479,015	5,513,621	2,088,005	14,080,641	14,245,193
Investments over 5% of portfolio value					
COIF Charities Ethical Investment fund	4,610,049	-	-	4,610,049	4,741,215
COIF Charities investment fund	3,724,344	-	-	3,724,344	2,278,266
Listed Investments at fair value comprise					
Equities	6,839,596	4,620,208	1,759,528	13,219,332	14,386,951
Securities	3,002,965	1,989,838	634,382	5,627,185	5,188,878
	9,842,561	6,610,046	2,393,910	18,846,517	19,575,829

The fair value of listed investments is determined by reference to the mid-market quoted price from F.T. Interactive Data at the balance sheet date.

12.2 Investment Properties

	Small Barn	Large Barn	South Birmingham Properties	Total 2025	Total 2024
	£	£	£	£	£
1 April 2024	177,000	1,065,000	340,000	1,582,000	1,582,000
Additions	5,008	-	-	5,008	-
Gains/(losses)	-	-	-	-	-
31 March 2025	182,008	1,065,000	340,000	1,587,008	1,582,000
Historical cost	95,519	908,650	340,000	1,344,169	1,339,161

Two barn buildings and the land they stand on were donated to the Foundation for development into office buildings for letting when complete. The original value of the underdeveloped land and properties donated was estimated by the Trustees at £85,000.

Both barns were revalued at 31 March 2023 by Roger Stanway FRICS of Holt Commercial, Chartered Surveyors on the basis of fair value.

The South Birmingham Investment Property was transferred to the Foundation at a valuation of £340,000 on 28th February 2023.

13 Debtors

	Total 2025	Total 2024
	£	£
Trade Debtors	218,520	155,718
Accrued Income	851,953	1,557,531
	1,070,473	1,713,249
Prepayments	10,421	5,248
	1,080,894	1,718,497

14 Creditors

Amounts due within one year	Total 2025 £	Total 2024 £
Trade creditors	71,927	40,894
Unpaid grants	1,679,709	7,155,659
Deferred Income	75,803	150,507
Employees tax and social security	12,787	13,268
VAT	66,936	37,746
Staff pension scheme contribution	3,937	3,714
	1,911,099	7,401,788
Accruals	39,897	76,467
	1,950,996	7,478,255
Amounts due over one year		
Unpaid grants	516,118	-

15 Deferred Income

	Total 2025 £	Total 2024 £
1st April 2024	150,507	20,733
Additions	122,834	280,972
Released to SOFA	(197,538)	(151,198)
31st March 2025	75,803	150,507

Deferred income has arisen as a result of rental and other income being received in advance.

16 Endowment Funds

	1st April 2024	Net incoming Resources	Investment Gains/(losses)	Transfers	31 March 2025
	£	£	£	£	£
Alan Higgs fund	538,023	-	(25,067)	-	512,956
Annie Bettman fund	314,434	(1,888)	(7,337)	-	305,209
AXA	219,232	(1,812)	11,791	-	229,211
Birmingham Fund	394,263	(3,012)	(9,139)	-	382,112
Birmingham Mail Charity Fund	60,360	(535)	(1,389)	-	58,436
Coventry Community Fund	420,029	-	(19,570)	-	400,459
Coventry Nursing trust	385,013	-	(17,939)	-	367,074
DBOI grassroots Fund	168,064	(1,490)	(3,868)	-	162,706
Friends Provident	12,877	(106)	693	-	13,464
Building Better Lives	4,548,595	(35,780)	22,353	-	4,535,168
George & Vera Bryan Grassroots fund	237,158	(2,103)	(5,458)	-	229,597
Harry Western fund	72,308	3,000	(3,605)	-	71,703
Harry Payne Fund	3,797,702	-	(143,997)	-	3,653,705
Heart of England Fund	770,070	(6,569)	(17,722)	-	745,779
High Sheriff of Warwickshire	239,464	-	(11,157)	-	228,307
James Kenning	64,506	-	(3,005)	-	61,501
Jumping Through Hoops	1,336,559	(6,064)	(42,450)	-	1,288,045
Kingscliffe Fund	183,462	(1,101)	(4,281)	-	178,080
Mills & Reeve Grassroots Fund	78,563	(697)	(1,808)	-	76,058
Mike Holland fund	176,220	-	(8,211)	-	168,009
Orbit Heart of England Fund	169,382	(1,400)	9,110	-	177,092
Property for Kids Grassroots Fund	30,868	(274)	(710)	-	29,884
PSA Peugeot Citroen	389,199	(2,336)	(9,081)	-	377,782
Solihull Community Foundation	316,135	-	(14,730)	-	301,405
Sandwell Community fund	419,528	-	(19,547)	-	399,981
South Birmingham Friends	2,771,145	-	(58,840)	75,940	2,788,245
Torrington House	273,300	(2,259)	14,699	-	285,740
Trustees' New Deal	196,599	-	(9,243)	1,048	188,404
Warwick Lying -in -trust	50,947	(452)	(1,172)	-	49,323
Willenhall Community Trust	81,322	-	(3,789)	-	77,533
Wolston Fund	109,507	-	(5,102)	-	104,405
Youell family fund 1	1,601,108	-	(74,600)	-	1,526,508
Youell 2	901,476	-	-	-	901,476
Donor holding accounts	83,691	(6,643)		(76,988)	60
	21,411,109	(71,521)	(464,171)	-	20,875,417

The investment income is allocated, on an annual basis, to unrestricted core funds £176,582 (2024: £164,277) and Grants for distribution £339,845 (2024: £311,310). Endowment funds include unrealised valuation (losses) gains of £464,172 (2024: £1,673,704).

Endowment funds relating to the Community First Programme are as follows:

	1st April 2024 £	Net incoming Resources £	Investment Gains/(losses) £	Transfers £	31 March 2025 £
Coventry Nursing Trust	385,013	-	(17,939)	-	367,074
Harry Payne Fund	3,797,704	-	(143,997)	-	3,653,707
High Sheriff of Warwickshire	239,464	-	(11,157)	-	228,307
James Kenning	64,506	-	(3,006)	-	61,500
Solihull Community Foundation	316,135	-	(14,730)	-	301,405
Trustees' New Deal	196,599	-	(9,243)	1,048	188,404
Willenhall Community Trust	81,322	-	(3,789)	-	77,533
Youell Family Fund 1	1,601,108	-	(74,600)	-	1,526,508
	6,681,851	-	(278,461)	1,048	6,404,438

17 Restricted Funds

	1st April 2024 £	Income £	Expenses £	Transfers £	31 March 2025 £
Core					
PSA Peugeot Citroen (in Kind)	-	73,553	(73,553)	-	-
	-	73,553	(73,553)	-	-

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

	1st April 2024	Income	Expenses	Transfers	31 March 2025
Distributable grants	£	£	£	£	£
29th May 1961 Charitable Trust	24,929	19,500	(11,562)	(5,000)	27,867
Alan Edward Higgs Charity	15,312	9,252	(9,372)	-	15,192
Annie Bettman fund	-	3,162	-	-	3,162
AXA	1,784	2,055	(1,783)	-	2,056
Birmingham Funds	13,328	11,175	(66,379)	70,000	28,124
Birmingham Mail Charity Fund	2,722	2,813	(1,300)	-	4,235
Birmingham Sports	-	-	-	-	-
Breathe Better Air	22,729	(22,729)	-	-	-
Brethertons	-	-	-	-	-
Bristol and West	-	-	-	-	-
Building Better lives	142,263	80,119	-	(25,000)	197,382
Care Leavers Fund	-	25,000	(50,000)	25,000	-
Charles Burrell Fund	-	-	(5,000)	5,000	-
Community Energy Warwickshire	7,462	15,034	(16,771)	-	5,725
Community Environment Fund	-	486,596	(486,596)	-	-
Coventry Building Society	94,917	83,064	(79,634)	-	98,347
Coventry City of Culture Fund	37,269	-	(37,269)	-	-
Coventry Community Fund	10,701	7,223	(5,000)	-	12,924
Coventry Nursing Trust	4,970	4,696	(2,216)	-	7,450
Coventry Warm Space Fund	11,833	-	(11,833)	-	-
DCMS Cost of Living Fund	-	-	-	-	-
Deutsche Bank	35,354	24,993	-	-	60,347
Drayton Manor Park	17,132	11,054	-	-	28,186
Dulverton Trust	696	99,298	(99,994)	-	-
Esme Fairbairn Foundation	-	-	-	-	-
Fairer Futures Locality	-	819,333	-	-	819,333
Fairer Futures Citywide	-	1,645,082	(1,645,082)	-	-
Graham Griffiths Fund	-	-	-	-	-
Greggs Foundation	588	-	-	-	588
Gowlings	-	-	-	-	-
Harry Payne Fund	4,975	102,176	(98,640)	-	8,511
Harry Weston Fund	3,379	-	-	(3,379)	-
Heart of England Co-Operative Society	15,486	30,000	(27,608)	-	17,878
Heart of England Fund	13,155	12,333	(62,870)	53,379	15,997
High Sheriff's Fund	9,798	4,701	(2,500)	-	11,999
ICF	-	4,727,946	(4,727,946)	-	-
IM Community Fund	71,424	100,000	(106,904)	-	64,520

Income Maximisation Fund	-				-
International Children's Games	571	17,562	(16,536)	(500)	1,097
JLR Solihull Employees Charity Fund	11,906	881	(10,450)	-	2,337
Jumping Through Hoops	49,830	20,817	-	-	70,647
Kingshurst Fund	10,000	(9,700)	(300)	-	-
Know Your Neighbourhood	1	10,750	(10,750)	-	1
Leamington Funds	3,025	1,981	(1,910)	-	3,096
Longleigh	19,084	-	(19,059)	-	25
Love my Keresley Community	-	-		-	-
Mayflex UK Ltd	3,200	-	(2,998)	-	202
Medwell	-	-		-	-
Mike Holland Fund	1,559	3,030	(1,559)	-	3,030
NHS - Small Grants	72,049	2,623		-	74,672
NNS Birmingham City Council	204,617	391,000	(305,566)	-	290,051
NNS Digital Microgrants	-	20,000	-	-	20,000
NNS Track & Trace	46,600	-	-	-	46,600
Orbit Heart of England Fund	7,408	1,588	(7,409)	-	1,587
Positive Futures	85,226	90,000	(98,254)	-	76,972
Peddimore Fund	43,125	-	(23,752)	-	19,373
PSA Peugeot Citroen	3,890	-	(3,889)	-	1
PHP	10,000	-	(10,000)	-	-
Recom Fund	20,000	-	-	-	20,000
Sandwell Community fund	40,322	7,215	-		47,537
SBFI	-	5,851	(22,812)	44,460	27,499
Solihull Community Foundation	1,182	694	(1,182)	-	694
Solihull Community Buildings	-	258,720	(258,720)	-	-
Solihull Celebrating Communities	-	-	-	-	-
Solihull Fairer Futures Fund	34,420	15,283	(49,703)	-	-
Solihull Hong Kong Fund	-			-	-
Solihul Winter Wellbeing	928	50,000	(50,000)	-	928
Stellantis Employee Fund	7,090	-	(4,674)	-	2,416
St George Earl Fund	-	25,200	(25,200)	-	-
Tipton Education Fund	40,901	11,700	(27,253)	-	25,348
The David East Fund	7,070	-	(7,070)	-	-
Together in Solihull Afghan Fund	-	-	-	-	-
Together in Solihull Asylum Seekers Fund	-	4,500	(4,500)	-	-
Together in Solihull Ukraine Fund	-	12,000	(12,000)	-	-
Torrington House	10,661	2,562	(10,661)	-	2,562
WCC Social Fabric Fund	547,323	1,240,000	(1,006,832)	-	780,491
Wesleyan fund	871,747	847,100	(891,674)	-	827,173
Windsor Academy Trust	9,354	14,808	(2,354)	-	21,808

WMCA Green Grants	-	82,077	(82,077)	-	-
Wolston	1,439	1,883	-	-	3,322
Women and Girls Fund	-	33,467	-	65,000	98,467
Youell Family Fund	38,150	39,036	(24,000)	(5000)	48,186
Young at Heart	211,095	-	(9,996)	9,996	211,095
	2,975,979	11,506,504	(10,559,399)	233,956	4,157,040

18 Designated Funds

	1st April 2024 £	Income £	Expenses £	Gains/Losses on investments £	Transfers £	31st March 2025
BBO Provision	107,841	-	-	-	-	107,841
Heart of England Fund	286,491	-	(1,000)	-	100,003	385,494
South Birmingham Friends Fund	26,987	17,472	-	-	(44,459)	-
Youell Family Fund	764,575	-	(5,840)	(15,798)	-	742,937
Inclusive Communities Fund	-	-	-	-	55,500	55,500
Technology Fund	-	-	-	-	17,000	17,000
Property Maintenance Fund	-	-	-	-	15,000	15,000
Building Better Lives Fund	-	-	-	-	50,000	50,000
Dudley Community Fund	-	-	-	-	40,000	40,000
	1,185,894	17,472	(6,840)	(15,798)	233,044	1,413,772

The Youell Family Fund is a Legacy from the late Alfred Youell MBE.

The BBO Provision fund represents an amount set aside to cover any clawback from the BBO programme in the future.

The Heart of England Fund is a fund set up by the Trustees that can be used for immediate need in the community that the Charity could support.

The SBFI Fund is an amount set aside for future grant making.

The Inclusive Communities Fund represents future costs committed to the contract.

The Technology Fund is an amount set aside for IT development and new systems.

The Property Maintenance Fund is an amount set aside for the upkeep and maintenance of the SBFI properties.

The Building Better Lives Fund is a fund set up to provide support to prevent homelessness.

The Dudley Community Fund is a fund set aside for activity in underserved areas.

19 Analysis of fund balances between net assets

	General Funds £	Designated Funds £	Restricted Funds £	Endowment funds £	Total funds 2025 £
Tangible Fixed assets	9,027	-	-	1,185,000	1,194,027
Investments	345,530	744,092	-	19,343,903	20,433,525
Bank and cash balances	1,360,325	670,836	5,405,712	356,155	7,793,028
Debtors	135,146	-	945,748	-	1,080,894
Creditors	(261,897)	(1,156)	(2,194,420)	(9,641)	(2,467,114)
	1,588,131	1,413,772	4,157,040	20,875,417	28,034,360

20 Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net income for year	1,385,156	3,066,799
Dividend received	(526,345)	(475,587)
Rents received from investment properties	(121,319)	(124,739)
Interest receivable	(237,518)	(174,045)
Depreciation and impairment of tangible fixed assets	752	395
(Gains)/losses on investments	479,969	(1,673,704)
Receipt of endowment	(3,911)	(393,798)
(Increase)/decrease in debtors	637,603	(1,186,129)
Increase /(decrease) in creditors	(5,011,141)	6,966,435
Net cash flow from operating activities	(3,396,754)	6,005,627

Analysis of Net Debt

	1st April 2024 £	Cashflow £	31st March 2025 £
Cash and cash equivalents	10,056,354	(2,263,326)	7,793,028

21 Control Relationships

The Board of Trustees is ultimately responsible for the control of the Charitable Foundation.

22 Taxation

The Foundation is a registered charity and its activities are such that no liability to Corporation tax arises on its results for the year.

23 Members' Guarantee

Every member has agreed that, if the charity is dissolved, while he or she remains a member or within twelve months afterwards, to contribute up to £10 towards the cost of dissolution and the liabilities of the charity.

24 Pensions and Post Retirement Benefits

Defined contribution pension plans –

The charity contributes to the money purchase pension plan for its employees. The amount recognised as an expense in the year was £37,357 (2024: £29,796).

25 Financial Instruments

The carrying value of the charity's financial instruments

Financial Assets	**2025**	**2024**
Measured at fair value through net income/expenditure:	£	£
Fixed asset investments (note 12)	18,846,517	19,575,829
Measured at amortised cost:		
Barn rent receivable	3,828	25,493

The income, expenditure, net gains and net losses attributable to the charity's financial instruments are as follows:

	2025	**2024**
	£	£
Net gains and losses		
Financial assets measured at fair value through net income/expenditure	(479,969)	1,673,704

26 Operating Leases – Lessor

Total future minimum lease payments collectable under non-cancellable operating leases:

	2025	**2024**
	£	£
Within one year	94,300	16,050
1-5 years	212,000	72,900
More than 5 years	60,000	75,000
	366,300	163,950

The Foundation lets the large and small Youell Barns and the SBFI properties. The small barn lease was renewed during 2023-24 for a period of ten years. The large barn lease was renewed in March 2025 for a period of five years subject to a three-year break clause. The SBFI properties are subject to individual agreements which are reviewed annually.

HEART OF ENGLAND COMMUNITY FOUNDATION

England & Wales - Charity number 1117345

Accounts

heart of england
COMMUNITY FOUNDATION

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

REGISTERED CHARITY NO. 1117345
COMPANY REGISTERED NO. 5999452

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

Table of Contents

TRUSTEES AND STAFF 3

PROFESSIONAL ADVISORS 4

TRUSTEES REPORT (including Directors' Report) 5

AUDITOR'S REPORT 15

STATEMENT OF FINANCIAL ACTIVITIES (FOR THE YEAR END 31 MARCH 2024) 19

STATEMENT OF FINANCIAL ACTIVITIES (FOR THE YEAR END 31 MARCH 2023) 20

BALANCE SHEET 21

STATEMENT OF CASH FLOW 22

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 23

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
TRUSTEES AND STAFF
YEAR ENDED 31 MARCH 2024

Registered Office: Stellantis
Pinley House, Sunbeam Way
Coventry CV3 1ND

Corporate Patron: Stellantis
Patron: Mrs Sally Carrick

Presidents: Tim Cox, the Lord Lieutenant of Warwickshire
Sir John Crabtree OBE, the Lord Lieutenant of the West Midlands

Trustees:	
Mr Christopher West	Chair
Ms Michelle Vincent	Treasurer
Mr Paul Belfield	
Mr Amrik Bhabra MBE	
Ms Lucie Byron	
Ms Jude Jennison	
Mr Daniel Worthing	
Mr Calum Nisbet	
Ms Jasmin Koasha	Resigned 5th October 2023
Ms Alethea Fuller	
Ms Cleo Morris	
Mr Richard Port MBE	

Senior Staff:	
Tina Costello OBE	Chief Executive Officer
Helen Kendrick	Senior Manager Operations
Shamiela Ahmed	Senior Manager Programmes
Jayne Taylor-Farren	Senior Manager Finance
Ryan Boyce	Senior Manager Communications
Charleene Jefferson	Secretary

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
PROFESSIONAL ADVISORS
YEAR ENDED 31 MARCH 2024

Auditors:

Dafferns LLP
One Eastwood, Harry Weston Road
Binley Business Park
Coventry, West Midlands
CV3 2UB

Investment Managers:

James Hambro & Partners LLP
45 Pall Mall
London
SW1Y 5JG

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Rathbones
Temple Point
1 Temple Row
Birmingham
B2 5LG

EFG Harris Allday
33 Great Charles Street
Birmingham
B3 3JN

M and G Investments
PO Box 9039
Chelmsford
CM99 2XG

Bankers:

CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling, Kent
ME19 4JQ

Santander Bank
Bootle
Merseyside
L30 4GB

Solicitors:

Wright Hassall LLP
Olympus Avenue
Leamington Spa
Warwickshire

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
TRUSTEES' REPORT (including Directors' Report)
YEAR ENDED 31 MARCH 2024

The Trustees have pleasure in presenting their Annual Report along with the financial statements of the charity for the year ending 31 March 2024.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland as amended for accounting periods commencing on or after 1 January 2019 and the Companies Act 2006.

1. Structure, Governance and Management

1.1 Objects and Activities

The objects of the Community Foundation are defined in its Memorandum and Articles of Association. The Community Foundation manages a diverse portfolio of grant programmes working with a range of donors to provide charitable and philanthropic services across the geographical areas of Birmingham, Black Country, Coventry, Solihull, and Warwickshire. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the current aims and objectives and in planning future strategies and setting grant making policies.

Our activities are determined by our charitable objectives:

- The promotion of any charitable purposes for the benefit of communities within the County of West Midlands and Warwickshire, United Kingdom and the advancement of education, the protection of good health and the relief of poverty and sickness.
- Any other exclusively charitable purposes, which are, in the opinion of the Trustees, beneficial to the community in benefit.

The Foundation exists to support the local voluntary and community sector across the West Midlands and Warwickshire. We work with a range of donors to offer bespoke, tailored philanthropic services. We aim to inspire and encourage local giving; we are advocates for smaller organisations who are often under the radar of national funders but making a huge difference at the heart of their communities.

The Foundation primarily supports not for profit organisations with grants which make an impact at a local level. We endeavour to have a balanced portfolio of grant programmes which enables us to fund a wide cross section of organisations supporting those most in need.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by the Heart of England Community Foundation and in planning future activities. The benefits of our activities are described in this Annual Report and relate directly to our aims and objectives.

1.2 Board Appointments

At each AGM, one third of the Trustees must retire, those longest in office retiring first. The Board of Trustees meet on a quarterly basis.

Our AGM was held on 19th October 2023, in which Dan Worthing, Jude Jennison and Chris West retired from the board by rotation and were unanimously re-appointed as Trustees.

The names of the Trustees who have served throughout the financial year and to the date of this report are shown on page 3. All Trustees have a full induction, are regularly updated on the operational running of the Foundation and have opportunities to play key roles in shaping the development and future strategy of the Foundation.

As part of our 3–5-year strategy which will be launched in March 2025, we will undertake a full governance review, to include a skills gap analysis and how our current sub committees operate. We want a board that reflects the diversity of our region ensuring our board has a range of skills that support the development of the Foundation.

1.3 Board Subcommittees

The Foundation has three main sub-committees:

Finance and Investment Committee, responsible for:

- Budgets and overseeing investment performance
- Quarterly investment returns and endowment performance
- Comparison of Investment Managers
- Maximisation of interest rate returns
- Reviewing investment strategy
- Annual meetings with all Investment Managers
- Reviewing asset class investments
- Considering appropriate avenue for unrestricted core income
- Reviewing quarterly management accounts
- Analysing forecast against actual performance
- Monitoring and review finance resources

Management Committee, responsible for:

- Management of governance and operational risks
- Approval of new and revisions to policies and procedures
- Maintaining oversight of the risk register

- Maintaining oversight of the charity's operations
- Oversight and monitoring of operational projects and programmes
- Maintaining oversight of operational decision making on HR changes include-disciplinaries, performance management and recruitment
- Approval of formal HR changes such as staffing re-structures
- Approval of pay awards as the charity's remuneration committee
- Approval of recommendations for new tenders/contracts and grant programmes in line with the delegation of authority policy

Grant Sub-Committees, responsible for:

- Decision making on our own Foundation funds and non-donor-directed funds across all our areas of benefit including
- Strategic overview of grant making to ensure equitable and fair distribution of funds
- Profiling annual grant budgets
- Review of impact of grants awarded

We have two independent decision-making committees, the Coventry, Solihull and Warwickshire Panel and the Birmingham and Black Country Panel. Both panels have representation from key stakeholders, community activists, and chaired by a Foundation Trustee.

The Trustees would like to thank our fantastic volunteers who give their valuable time, commitment and knowledge to support our decision making.

1.4 Business Planning

The Foundation is now at a pivotal point in terms of the Foundation's growth and trajectory. We have now delivered our 3-year strategy which focused on the following key priorities, a brief highlight summary is provided below:

- We will deliver accessible, inclusive and flexible funding

We developed several pilot activities, for example, trialling regional panels for decision making.
With the implementation of a new CRM system this year, we are looking to transform our grant making, making it fit for purpose for the future, for both the Foundation and the organisations we support.

We would like to explore re-introducing the single front door, reflecting on why it wasn't successful on the first implementation and how it could be improved to ensure a smooth customer journey.

We delivered on our funding strategy, developing new key relationships and our ambition to award £10 million over 3 years has been achieved.

- Maintain strong relationships with existing donors to ensure we retain their investment to improve lives in the region.

We're so proud to have retained over 99% of our donors over the past 3 years. We've implemented a donor care policy, regularly 'spotlight' our donors and the social value they contribute to our local communities. Our donors are our most valuable assets, so we continually celebrate our partnerships and work with them to deliver bespoke programmes that make a real difference at a local level.

- Continually seek to attract new donors to increase our social investment in the West Midlands region.

The Foundation has been successful in the transfer of several dormant charities and trusts held in local authorities, which has been instrumental in growing our long-term investments. The transfer of South Birmingham Friends' Institute assets has grown our endowment by over a million in the last year and the 5 residential properties have strengthened the Foundation's assets for the future.

The Foundation has also strengthened its relationships with local authorities, delivering funds on behalf of Birmingham City Council, Solihull MBC, Warwickshire County Council and the West Midlands Combined Authority.

- Strengthen our existing finance, governance and leadership to ensure donor trust and confidence in the charity's sustainability and longevity.

The Foundation successfully passed Quality Accreditation 5 and we're now preparing for Quality Accreditation 6 later in the autumn. We've successfully diversified our board in terms of age, ethnicity, gender, and diversity of thought resulting in a board that truly reflects the region we serve.

We've reviewed our staff handbook; increased staff benefits and achieved the Thrive at Work Bronze Award for employee support. We continually work to ensure the workplace is happy, productive and inclusive.

- To be an equitable, diverse and inclusive funder.

We commissioned an evaluation of our grant making through Forever Consulting in 2021, which highlighted performance against indices of deprivation, social return on investment and a cost benefit analysis. It also identified 'cold spots' in terms of geography and communities of interest. We have held workshops, webinars and particularly invested in areas of deprivation. We have now commissioned an evaluation of our grant making from 2021-2024 as the report is valuable for the Foundation, our current donors and future donors we want to attract to work with us.

We have held several workshops over the past 6 months with our Board of Trustees and wider staff team to reflect, learn and establish the successes within our 3-year strategy but also objectives that weren't fully achieved. We recognise that a global pandemic had a huge influence on our strategy, shifting goal posts to ensure that during this challenging

time the Foundation was delivering on its mission, to support our communities across the West Midlands and Warwickshire.

The board agreed to pause, reflect and pilot several initiatives in this financial year, supporting the development of our 3–5-year strategy which will launch in March 2025.

We continue to steadily grow the Foundation's resources and we have successfully recruited to several new positions which support the Foundation's growth.

1.5 Risk Management

The principal identified risks to which the Foundation are exposed are integrated into the business plan to ensure they are regularly reviewed. The Foundation also maintains a risk register which is reviewed on a half-yearly basis by the Management Committee.

We continue to review and amend our risk register.

1.6 Pay Policy for Senior Staff

The Trustees consider the senior management team to comprise the key personnel of the Charity in charge of directing, running, and operating the Charity on a day-to-day basis. The pay of senior staff is reviewed annually by the Management Committee and is based on performance and average earnings across the sector.

1.7 Fundraising Regulator Statement of Compliance

Heart of England Community Foundation does not contract to a third party to undertake any fundraising on its behalf. The charity does employ a Head of Communications who initiates campaigns and supports fundraising activities. We have received no fundraising complaints during the year.

The charity only makes fundraising approaches to contacts who have given explicit consent to receive such campaign documentation under GDPR guidelines.

2. Achievements and Financial Performance for 2023 – 24

It has been, beyond doubt, an extraordinary year for the Foundation and its history. We have continued to build relationships with our existing donors, in particular, local authorities and the range of programmes they entrust in us to deliver on their behalf. They see the benefit and value of outsourcing grant making to the Foundation which has resulted in securing further programmes.

We retained all our donors which is testament to the positive relationships we have and the exceptional service we strive to offer to our donors.

The 2022 Birmingham Commonwealth Games was a huge success not only for Birmingham but the wider region. This resulted in a significant under spend of £70 million on budget which the Treasury agreed could remain in the region to support the legacy of the games.

The Foundation submitted a tender to the West Midlands Combined Authority to deliver a £9 million fund for community organisations across the region and we were awarded the tender. We worked in partnership with United by 2022, the official legacy charity from the games to jointly promote the Inclusive Communities Fund (ICF) across the West Midlands Region.

The ICF fund was hugely popular offering four different strands:

- Large Grants up to £300,000
- Medium Grants up to £75,000
- Small Grants up to £15,000
- Small Works Capital Programme up to £100,000

The Foundation received an unprecedented number of applications to the value of over £76 million.

We convened community panels to support our decision making, these panels reflected the diversity of our region. Ensuring representation in terms of geography, diverse communities, community knowledge and diversity of thought. The panels worked incredibly hard, often having difficult decisions with limited budgets. The Foundation would like to thank these volunteers for their exceptional commitment to making the ICF programme a resounding success.

The West Midlands Combined Authority secured a further £3 million for the programme which enabled us to support more brilliant community initiatives, funding 388 projects to the value of £11.8 million.

Again, working in partnership with the West Midlands Combined Authority, we were successful in tendering to support the delivery of the Community Environment Fund. This £1.2 million is a further programme from the successful delivery of Birmingham 2022 Commonwealth Games. The Foundation receives applications to undertake due diligence, but the WMCA lead on decision making, the Foundation is then responsible for monitoring and evaluation of each project. These fantastic projects are breathing life into communities through developing community gardens, green spaces and encouraging communities to access local green space.

We are grateful to all donors who choose to work with us and see the benefits of our positive partnerships. The Foundation has secured further programmes, delivering Fairer Futures Fund across both Birmingham and Solihull. These funds are focused on specific areas where inequalities exist in terms of health and opportunities.

The Foundation continues to strive to raise its profile, attending relevant events and conferences to continually build our relationships with the voluntary and community sector.

The Foundation hosted its own International Women's Day in March 2024, which was a huge success, a follow-on event took place in August 2024 where the Foundation

launched its own Women and Girls Fund, responding to the rising issues facing women and girls across our region.

Our focus for 2024-25 is growing our long-term investments and securing more regional corporates who see the benefits of giving locally to grassroots organisations often operating right on their doorsteps.

This has been a successful year for the Foundation but without the support of all our donors we could not make the impact we strive to achieve in changing lives locally.

Key Performance Measures

The Foundation has several significant projects in 2024-25, including a new CRM system which we hope will support the transformation of our grant making both internally and for our communities who apply for funds.

We have developed a fund development strategy alongside a 1-year operational plan in which we will pilot several new initiatives leading to the development and implementation of our 3–5-year strategy in 2025.

Human Resources

The recruitment market seems to have shifted this year and we've been fortunate to recruit several new positions to support the delivery of the Inclusive Communities Fund and a project manager to lead on the implementation of our new Salesforce system.

We recruited a new Senior Manager Strategy and Development who is leading on learning, impact, evaluation and development of our new strategy.

Incoming Resources

The Foundation's total incoming resources for 2023-24 were £15,620,667 and the overall funds of the foundation increased by £3,066,799 to £26,649,204.

Endowed Donations

We were fortunate to see some investment growth in 23-24 but our focus for 24-25 is to grow our long-term investments to ensure funds are in perpetuity for generations to come.

Investments

The Foundation's investment policy, updated and reviewed every three years, is for a balanced portfolio which produces reasonable income for grant making whilst growing the value of the assets to protect them against the effects of inflation or other defining factors in the longer term. This is considered a relatively low risk approach.

Our stock market investments are managed by James Hambro, CCLA and Rathbones. Performance is bench marked against the FTSE APCIMS (Association of Private Client Investment Managers) Index.

Investment performance over the 12-month period ending 31st March 2024 stabilised following a period of market volatility linked to the COVID-19 pandemic and other economic factors. The net gain on investments was £1,673,704 in 2023-24.

Grants

The total grant income for 2023-24 was £13,604,371 which was an increase of £10,895,406 from the previous fiscal year. Our total grant expenditure was £13,111,457, a full report on the foundation's discretionary grant making will be available on our website.

Restricted Core Income

Restricted core income in 2023-24 was £70,050 compared to £66,714 in the previous fiscal year.

Unrestricted Core Income

Our unrestricted core income this year is derived from several sources, our investments, general donations, rented properties and grant making contract fees. The delivery of programmes on behalf of donors such as Wesleyan Assurance, Coventry Building Society, West Midlands Combined Authority, Solihull MBC and Birmingham City Council support our operating costs.

The balance of our unrestricted income is, at present, used to meet core expenditure which is not covered by restricted income. Unrestricted income for 2023-24 was £1,198,912 compared with £495,789 in the previous fiscal year. This increase is largely due to the significant local authority contracts that were delivered during the financial year.

We are eternally grateful to all the donors who choose to work with us, A particular thank you goes to 29th May 1961 Charitable Trust for their annual unrestricted donation.

Expenditure

The Foundation made an operating gain on unrestricted general funds of £325,825 which compares with a budgeted gain for the year of £52,961 and an operating gain in the previous year of £139,237.

Designated Funds

Our designated funds as of 31st March 2024 totalled £1,185,894. These include the current value of £764,575 from the Youell Legacy plus funds of £421,319 for the delivery of grant programmes in 2024-25, which are not regarded as free reserves by the Trustees.

3. Reserves Policy

A considerable part of the Foundation's income is derived from unrestricted core donations of which there is no certainty and management fees for the delivery of flow through grant programmes which are usually time bound. The Trustees believe it to be necessary to retain sufficient free reserves to maintain the Foundation operationally between the times such schemes end, and new programmes come on board. New funding streams are often subject to competitive tendering and cannot be relied upon with certainty. Free reserves must also be retained to cover statutory obligations to our staff should that prove necessary.

It is therefore the policy of the Foundation to maintain, always, free reserves of no less than the equivalent of six months core (support and governance) costs. At the 31 March 2024, total reserves were £26,649,204 of which endowed funds were £21,411,109 and restricted funds were £2,975,979. Of the remaining unrestricted funds totalling £2,262,116, £1,185,894 has been designated by Trustees. The actual free reserves at the end of the fiscal year equate to £1,076,222. However, £350,303 of these free reserves represent non-liquid fixed assets. The balance of £725,919 is 7 months of budgeted core costs for 2023-24.

4. Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

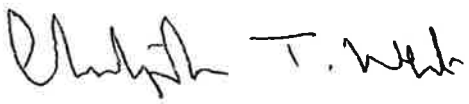
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

5. Auditors

A resolution to re-appoint Dafferns LLP as the Charity's auditor will be proposed at the forthcoming Annual General Meeting.

The report of the Trustees has been prepared taking advantage of the small companies' exemption in the Companies Act 2006. This report was approved by the Board of Trustees and authorised for issue on 18th September 2024 and signed on its behalf by:



Chris West
Chair

Opinion

We have audited the financial statements of The Heart of England Community Foundation (the 'charitable company') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, 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 charitable company's affairs as at 31 March 2024, and of its incoming resources 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 Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 13 - 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

- enquiry of management around actual and potential litigation and claims;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.

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

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/library/ standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/. This description forms part of our auditor's report.

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2024

Use of our report

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

Signed: 

Geoffrey Cox BA FCA (Senior Statutory Auditor)

For and on behalf of Dafferns LLP

One Eastwood, Harry Weston Road,
Binley Business Park, Coventry
CV3 2UB

Date: 18 September 2024.

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2024

		Unrestricted		Restricted Funds			
		General Funds	Designated Funds	Restricted Costs	Distributable Grants	Endowment Funds	2024
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	98,511	-	70,050	29,059	393,798	591,418
Income from grant contracts	3	649,007	-	-	13,604,371	-	14,253,378
Rental Income		124,739	-	-	-	-	124,739
Investment Income		151,110	13,167	-	311,310	-	475,587
Bank Interest		174,045	-	-	-	-	174,045
Other Income		1,500	-	-	-	-	1,500
Total Income and Endowments		1,198,912	13,167	70,050	13,944,740	393,798	15,620,667
Expenditure							
Raising Funds	4	60,445	-	-	-	-	60,445
Investment Management Costs		-	4,291	-	-	57,552	61,843
Charitable Activities - Grants	5	-	300	-	13,111,157	-	13,111,457
Charitable Activities - Grant management costs		232,156	-	-	-	-	232,156
Charitable Activities - Property Management costs		26,312	-	-	-	-	26,312
Charitable Activities - Support costs	6	617,056	-	70,050	79	-	687,185
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		-	-	36,174	-	-	36,174
Governance	9	12,000	-	-	-	-	12,000
Total Expenditure		947,969	4,591	106,224	13,111,236	57,552	14,227,572
Net Gain/(loss) on investment assets	12	-	64,315	-	-	1,609,389	1,673,704
Net Income/(expenditure)		250,943	72,891	(36,174)	833,504	1,945,635	3,066,799
Transfers between funds	10	74,882	(112,005)	12,623	24,500	-	-
Net Movement in Funds		325,825	(39,114)	(23,551)	858,004	1,945,635	3,066,799
Funds at 31 March 2023		750,397	1,225,008	23,551	2,117,975	19,465,474	23,582,405
Funds at 31 March 2024		1,076,222	1,185,894	-	2,975,979	21,411,109	26,649,204

Note: For Companies Act purposes the surplus for the year (excluding the net movement of Endowment Funds) was £1,121,164 (2023 deficit £492,451). There were no discontinued activities during the year. The Statement of Financial Activities includes all gains and losses recognised during the year. Prior year comparatives are shown on page 20, please continue overleaf.

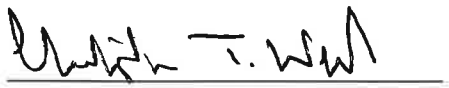
THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
YEAR ENDED 31 MARCH 2023

		Unrestricted		Restricted Funds			
		General Funds	Designated Funds	Restricted Costs	Distributable Grants	Endowment Funds	2023
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	349,791	-	66,714	2,708,965	2,924,204	6,049,674
Rental Income		88,445	1,832	-	-	-	90,277
Investment Income		-	-	-	-	371,235	371,235
Bank Interest		55,803	8	-	-	-	55,811
Other Income		1,750	67,078	-	-	-	68,828
Total Income and Endowments		495,789	68,918	66,714	2,708,965	3,295,439	6,635,825
Expenditure							
Raising Funds	4	58,664	-	-	-	-	58,664
Investment Management Costs		-	4,614	-	-	43,096	47,710
Charitable Activities - Grants	5	-	8,000	-	2,858,131	-	2,866,131
Charitable Activities - Support costs	6	431,083	30,098	66,714	139	-	528,034
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		-	-	9,650	-	-	9,650
Governance	9	12,912	-	-	-	-	12,912
Total Expenditure		502,659	42,712	76,364	2,858,270	43,096	3,523,101
Net Gain/(loss) on investment assets		68,744	(28,640)	-	-	(1,037,779)	(997,675)
Net Income/(expenditure)		61,874	(2,434)	(9,650)	(149,305)	2,214,564	2,115,049
Transfers between funds		77,363	(93,685)	-	(376,614)	392,936	-
Net Movement in Funds		139,237	(96,119)	(9,650)	(525,919)	2,607,500	2,115,049
Funds at 31 March 2022		611,160	1,321,127	33,201	2,643,894	16,857,974	21,467,356
Funds at 31 March 2023		750,397	1,225,008	23,551	2,117,975	19,465,474	23,582,405

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	11		1,194,779		1,186,545
Investments					
Investment properties	12	1,582,000		1,582,000	
Listed investments	12	19,575,829		17,485,415	
Cash at Investment Managers		110,357		162,763	
			21,268,186		19,230,178
			22,462,965		20,416,723
Current Assets					
Cash at Bank and in hand		9,945,997		3,145,134	
Debtors	13	1,718,497		532,368	
		11,664,494		3,677,502	
Creditors: amounts falling due within one year	14	7,478,255		511,820	
Net Current Assets			4,186,239		3,165,682
Net Assets			26,649,204		23,582,405
Funds of the Charity					
Capital Funds					
Endowment Funds	16		21,411,109		19,465,474
Income Funds					
Restricted Funds	17		2,975,979		2,141,526
Unrestricted Funds (Designated)	18	1,185,894		1,225,008	
Unrestricted Funds (General)		1,076,222		750,397	
Total unrestricted Funds			2,262,116		1,975,405
Total Funds			26,649,204		23,582,405

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the trustees and authorised for issue on 18th September 2024 and are signed on their behalf by

Chris West | Chairman 

Michelle Vincent | Trustee 

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024	2023
		£	£
Cashflow from operating activities	20	6,005,627	(1,383,369)
Net cashflow from operating activities		6,005,627	(1,383,369)
Cash flow from investing activities			
Payment to acquire tangible fixed assets	11	(8,629)	(1,186,578)
Payments to acquire investments	12	(2,424,406)	(7,607,410)
Receipts from sales of investments	12	2,007,696	4,263,947
Interest received		174,045	55,811
Dividends received		475,587	371,235
Rents received		124,739	90,277
Net cash flow from investing activities		349,032	(4,012,718)
Cash flow from financing activities			
Receipt of permanent endowments		393,798	2,924,204
Net cash flows from financing activities		393,798	2,924,204
Net increase/(decrease) in cash and cash equivalents		6,748,457	(2,471,883)
Cash and cash equivalents at 1 April 2023		3,307,897	5,779,780
Cash and cash equivalents at 31 March 2024		10,056,354	3,307,897
Cash and cash equivalents consist of:			
Cash at bank and in hand		9,945,997	3,145,134
Short term deposits		110,357	162,763
Cash and cash equivalents at 31 March 2024		10,056,354	3,307,897

1. Accounting Policies

Basis of preparation

Heart of England Community Foundation is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to act as a conduit for philanthropy, linking private and public funders with small community projects across the county of West Midlands.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods commencing on or after 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and after performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Reports.

For legacies entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance costs. Overhead and support costs relating to charitable activities have been apportioned on a basis consistent with the use of resources.

Charitable activities
Costs of charitable activities include grants made and support costs as shown in note 6.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Fundraising Costs

Fund-raising costs are those which are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.
The analysis of these costs is included in note 4.

Endowment funds

These funds include expendable endowments which arose from grants and donations given specifically to be held as capital unless the Trustees resolve they may be spent. It is the intention of the Trustees that these funds be maintained for the foreseeable future. Grants are funded from the income generated from the capital investments. There can be an initial period of income accumulation in accordance with the donor's wishes.

Restricted funds

These funds are received for specific purposes set by the grant funders or donors. These include funds received to enable grants to be paid to beneficiaries and meet the cost of projects and, in addition, funds received towards the Foundation's operating costs in managing those grants and projects.

Designated funds

These funds are unrestricted funds set aside by the Trustees for specific purposes.

Investments

Investments in listed securities and properties are shown on the balance sheet at their open market value. Profits and losses on sales of investments and the movements in market value are taken to the Statement of Financial Activities. Property in course of construction is valued at cost.

Fixed assets and depreciation

No depreciation is provided against the cost of land. Operational assets costing less than £1,000 are written off in full through the Statement of Financial Activities in the year of purchase. Depreciation is provided by the Foundation to write off the cost less the estimated residual value of other operational fixed assets by equal instalments over their useful economic lives as follows:

Office and computer equipment - 4 years

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised in expenditure.

Pension schemes

The charity operates defined contribution pension schemes. Contributions payable in the year are charged in the Statement of Financial Activities.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The trustees have considered the level of funds and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Financial instruments

Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Other financial assets, including investments in equity instruments and which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss.

Financial liabilities
Basic financial liabilities, including trade and other payables, and bank loans that are classified as debt are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Donations and Legacies

Donors contributed to the following restricted funds during the period:

	Core Costs £	Distributable Grants £	Total 2024 £	Total 2023 £
29th May 1961 Charitable Trust	-	-	-	28,000
BRC Fund	-	-	-	12,186
Community Energy Warwickshire	-	-	-	7,047
Cost of Living Fund	-	-	-	697
Coventry Building Society	-	-	-	81,892
Coventry City of Culture Fund	-	-	-	25,000
Coventry Warm Space Fund	-	-	-	100,000
DCMS Cost of Living Fund	-	-	-	60,588
Dulverton Trust	-	-	-	99,299
Graham Griffiths Fund	-	-	-	45,000
Helping Hearts	-		-	50,000
High Sherrif of Warwickshire	-	1,191	1,191	2,325
International Children's Games	-	13,376	13,376	-
JLR Solihull Employees Charity Fund	-	787	787	321
John Taylor	-	-	-	2,860
Know Your Neighbourhood	-	-	-	135,333
Leamington Fund	-	2,351	2,351	2,767
Mayflex UK Ltd	-	-	-	9,200
M and G Fund	-	-	-	13,011
NNS Birmingham City Council	-	-	-	388,310
Orbit Individual Grants	-	-	-	550
Orbit First Year Tenancy	-	-	-	21,000
Orit Hardship Fund	-	-	-	212,731
PSA Peugeot Citroen	70,050	-	70,050	66,714
Peddimore	-	-	-	27,000
Positive Futures	-	-	-	90,000
R Medwell	-	2,000	2,000	-
Solihull Resilience Fund	-	-		50,600
The Freemason's Charity	-	-	-	45,000
Tipton Education Fund	-	-	-	10,800
Vital EV Solutions	-	-	-	4,500
Warwickshire County Council	-	-	-	343,748
Wesleyan	-	-	-	839,200
Windsor Academy Trust Community Foundation	-	9,354	9,354	-
	70,050	29,059	99,109	2,775,679

Donations in kind

During the financial year PSA Peugeot Citroen (Stellantis) again provided office accommodation and facilities free of charge to the Foundation. The estimated value of these benefits is £70,050 (2023: £66,714) has been reflected in the Statement of Financial Activities as gifts and as support costs within the restricted core cost fund.

3. Income from Grant Contracts

	Core Costs £	Distributable Grants £	Total 2024 £
29th May 1961 Charitable Trust	3,000	21,000	24,000
Building Better Opportunities Fund	(9,701)	-	(9,701)
Breathe Better Air Fund	8,333	70,833	79,166
Bretherton	-	3,000	3,000
Bristol and West	-	598	598
Community Energy Warwickshire	740	7,369	8,109
Community Environment Fund	36,584	429,579	466,163
Coventry Building Society	2,154	86,170	88,324
Coventry Community Fund	-	7,750	7,750
DCMS Cost of Living Fund	-	(16,754)	(16,754)
Deutsche Bank	3,000	27,000	30,000
Dulverton Trust	11,033	99,299	110,332
Greggs Foundation	1,800	18,000	19,800
Gowlings	1,000	10,000	11,000
IM Community Fund	10,000	189,500	199,500
Inclusive Communities Fund	322,688	7,089,864	7,412,552
Income Maximisation Fund	45,775	948,649	994,424
Kinghurst Fund	-	10,000	10,000
Know Your Neighbourhood	33,067	1,171,334	1,204,401
Love My Keresley Community	-	(18,200)	(18,200)
NHS - Small Grants	-	72,049	72,049
NNS - Birmingham City Council	43,125	390,960	434,085
Orbit - Individual Grants	-	(44)	(44)
Orbit Extension Hardship Fund	17,250	85,395	102,645
Orbit Furnish Homes	-	(11,576)	(11,576)
Orbit Hardship Trust	-	(38,683)	(38,683)
Peddimore Fund	750	27,000	27,750
PHP Fund	10,000	85,000	95,000
Positive Futures	2,500	90,000	92,500
Solihull Fairer Futures Fund	8,000	200,000	208,000
Solihull Hong Kong Fund	1,000	29,000	30,000
Solihull Warm Welcome Hub Fund	4,092	51,151	55,243
The David East Fund	-	18,000	18,000
Tipton Education Fund	1,800	11,700	13,500
Together in Solihull Afghan Fund	1,759	18,170	19,929
Together in Solihull Asylum Seekers Fund	1,759	18,170	19,929
Together in Solihull Ukraine Fund	4,395	45,410	49,805
Warwickshire County Council	67,120	1,260,000	1,327,120
Wesleyan	5,510	847,100	852,610
WMCA Green Grants	10,474	250,578	261,052
	649,007	13,604,371	14,253,378

Income from Grant Contracts has been reclassified and shown separately from Donations and Legacies in the 2024 accounts. Comparatives have not been adjusted.

4. Fundraising Costs

	Unrestricted	Restricted	Total 2024
	£	£	£
Consultancy			
Staff Costs	47,321	-	47,321
Other costs	13,124	-	13,124
	60,445	-	60,445

	Unrestricted	Restricted	Total 2023
	£	£	£
Consultancy			
Staff Costs	40,752	-	40,752
Other costs	17,912	-	17,912
	58,664	-	58,664

5. Grants

	Total 2024	Total 2023
	£	£
Grants awarded – Restricted funds	13,111,157	2,858,131
Grants awarded – Designated funds	300	8,000
	13,111,457	2,866,131

For full details of grants awarded during the year please visit our website to download our 'Grants Making & social Investment Report 2023/24' at www.heartofenglandcf.co.uk

6. Support Costs

	Grants	Administration	2024	2023
	£	£	£	£
Staff Costs (see note 7)	251,410	251,556	502,966	345,133
Recruitment	18,480	9,576	28,056	13,100
PR and Advertising	4,081	4,084	8,165	9,077
Training and Conferences	836	837	1,673	3,678
Subscriptions	-	11,509	11,509	10,915
Travel and Subsistence	2,818	2,820	5,638	7,067
Staff Welfare	206	207	413	1,068
Meetings	959	960	1,919	608
Printing and Stationery	1,902	1,903	3,805	1,891
Postage and Telephone	3,283	3,285	6,568	5,586
Office Equipment	18,412	18,423	36,835	26,751
Legal and Professional fees	4,423	4,425	8,848	35,959
Rent and Rates	5,178	-	5,178	4,307
Fixed Asset Depreciation	180	180	360	1,339
Office Accommodation and Facilities (see note 2)	32,004	32,022	64,026	59,375
Sundry Expense	190	190	380	422
Insurance	423	423	846	1,758
	344,785	342,400	687,185	528,034

The Support costs are incurred from the following funds:

	£
Unrestricted General Fund	617,056
Restricted Core Fund	70,050
Restricted Grant Fund	79
	687,185

7. Staff numbers and costs

The average number of persons employed by the Foundation during the period was 14 (2023 – 11). The full-time equivalent number of employees was 12.1 (2023 – 9.7) and the aggregate payroll costs were as follows:

	Total 2024	Total 2023
	£	£
Salaries	468,589	343,382
Agency staff costs	3,844	2,100
Social security costs	48,058	29,360
Other pension costs	29,796	11,043
	550,287	385,885
Support costs (see note 6)	502,966	345,133
Fundraising costs (see note 4)	47,321	40,752
	550,287	385,885

The number of employees earning over £60,000 per year (including benefits) in the period is as follows:

	2024 No.	2023 No.
£70,000 - £80,000	1	1

8. Trustees' and key management personnel renumeration and expenses

The charity considers its key management personnel as Tina Costello.

The total amount of employee benefits (including employers NI) received by key management personnel is £94,636 (2023: £83,049).

The Trustees did not receive any remuneration during the year (2023: £nil). No expenses were claimed during the year (2023: Nil).

a. Third party related transactions

The charity paid £20,984 (2023: £16,356) to Adecs Limited, a company related to Amrik Bhabra, a Trustee, for IT services. The charity paid £8,820 (2023: £11,116) to Wright Hassall LLP, a company related to Lucie Byron. The Charity paid £nil (2023 - £1,200) to Leaders by Nature, an organisation related to Jude Jennison.

9. Governance Costs

	Unrestricted £	Restricted £	Endowment £	Total 2024 £	Total 2023 £
Statutory audit fees	12,000	-	-	12,000	12,912
	12,000	-	-	12,000	12,912

The auditor's remuneration amounted to an audit fee of £11,700 (2023: £12,612) and other services of £300 (2023: £300).

10. Transfer between funds

	General	Designated	Restricted costs	Distributable Grants	Endowment Funds
	£	£	£	£	£
Transfer of designated fund to unrestricted	64,382	(64,382)	-	-	-
Transfer of designated fund to grants	-	(35,000)	-	35,000	-
Transfer of grant fund to unrestricted	500	-	-	(500)	-
Transfer of BBO from Designated		(12,623)	12,623	-	-
Transfer of Heart of England Priorities to unrestricted	10,000	-	-	(10,000)	-
	74,882	(112,005)	12,623	24,500	-

11. Tangible Fixed Assets

	Freehold Property	Computer Equipment	Total
		£	£
Cost			
1 April 2023	1,185,000	27,471	1,212,471
Additions	7,200	1,429	8,629
Disposals	-	-	-
31 March 2024	1,192,200	28,900	1,221,100
Depreciation			
1 April 2023	-	25,926	25,926
Charge for year	-	395	395
31 March 2024	-	26,321	26,321
Net Book value 31 March 2023	1,185,000	1,545	1,186,545
Net Book value 31 March 2024	1,192,200	2,579	1,194,779

12. Fixed Asset Investments

12.1 Listed Investments

	Managed by CCLA	Managed by Rathbones	Managed by James Hambro	Managed by EFG Harris Allday	Managed by M and G Investments	Total 2024	Total 2023
	£	£	£	£	£	£	£
Market value at 1 April 23	8,135,342	6,522,355	2,001,778	764,327	61,613	17,485,415	15,716,627
Additions at cost	1,242,373	678,056	503,977	-	-	2,424,406	7,267,410
Disposal proceeds	-	(719,790)	(461,966)	(764,327)	(61,613)	(2,007,696)	(4,263,947)
Gains/(losses)	828,544	627,020	218,140	-	-	1,673,704	(1,234,675)
Market value at 31 March 2024	10,206,259	7,107,641	2,261,929	-	-	19,575,829	17,485,415
Historical cost	6,399,027	5,767,770	2,078,396	-	-	14,245,193	13,693,112
Investments over 5% of portfolio value							
COIF Charities investment fund	7,019,481	-	-	-	-	7,019,481	5,143,976
Listed Investments at fair value comprise							
Equities	7,715,932	5,012,771	1,658,248	-	-	14,386,951	8,190,987
Securities	2,490,327	2,094,870	603,681	-	-	5,188,878	9,294,428
	10,206,259	7,107,641	2,261,929	-	-	19,575,829	17,485,415

The fair value of listed investments is determined by reference to the mid-market quoted price from F.T. Interactive Data at the balance sheet date.

12.2 Investment Properties

Valuations	Small Barn	Large Barn	South Birmingham Properties	Total 2024	Total 2023
	£	£	£	£	£
1 April 2023	177,000	1,065,000	340,000	1,582,000	1,005,000
Additions	-	-	-	-	237,000
Gains/(losses)	-	-	-	-	340,000
31 March 2024	177,000	1,065,000	340,000	1,582,000	1,582,000
Historical Cost	90,511	908,650	340,000	1,339,161	1,339,161

Two barn buildings and the land they stand on were donated to the Foundation for development into office buildings for letting when complete. The original value of the underdeveloped land and properties donated was estimated by the Trustees at £85,000.

Both barns were revalued at 31 March 23 on 30 June 2023 by Roger Stanway FRICS of Holt Commercial, Chartered Surveyors on the basis of fair value.

The South Birmingham Investment Property was transferred to the Foundation at a valuation of £340,000 on 28th February 2023.

13 Debtors

	Total 2024	Total 2023
	£	£
Trade Debtors	155,718	484,313
Accrued Income	1,557,531	44,942
	1,713,249	529,255
Prepayments	5,248	3,113
	1,718,497	532,368

14 Creditors

	Total 2024 £	Total 2023 £
Trade creditors	40,894	44,244
Unpaid grants	7,155,659	362,214
Deferred Income (See note 15)	150,507	20,733
Employees tax and social security	13,268	7,929
VAT	37,746	8,770
Staff pension scheme contribution	3,714	1,775
	7,401,788	445,665
Accruals	76,467	66,155
	7,478,255	511,820

15 Deferred Income

	Total 2024 £	Total 2023 £
1st April 2023	20,733	21,162
Additions	280,972	87,700
Released to SOFA	(151,198)	(88,129)
	150,507	20,733

Deferred income has arisen as a result of rental and other income being received in advance.

16 Endowment Funds

	1 April 2023	Net incoming resources	Investment Gains/(losses)	Transfers	31 March 2024
	£	£	£	£	£
Alan Higgs fund	493,365	-	44,658	-	538,023
Annie Bettman fund	287,296	(1,755)	28,892	-	314,433
AXA	200,133	(1,579)	20,677	-	219,231
Birmingham Fund	364,530	(2,217)	31,950	-	394,263
Birmingham Mail Charity Fund	55,181	(337)	5,516	-	60,360
Coventry Community Fund	-	389,173	30,856	-	420,029
Coventry Nursing trust	353,055	-	31,958	-	385,013
DBOI grassroots Fund	153,644	(938)	15,358	-	168,064
Friends Provident	11,755	(93)	1,215	-	12,877
Building Better Lives	4,168,616	(28,071)	408,050	-	4,548,595
George & Vera Bryan Grassroots fund	216,810	(1,324)	21,672	-	237,158
Harry Weston fund	63,312	3,200	5,796	-	72,308
Harry Payne Fund	3,501,497	-	296,207	-	3,797,704
Heart of England Fund	704,001	(4,301)	70,370	-	770,070
High Sheriff of Warwickshire	219,588	-	19,876	-	239,464
James Kenning	59,151	-	5,355	-	64,506
Jumping Through Hoops	1,227,853	(4,450)	113,156	-	1,336,559
Kingscliffe Fund	167,628	(1,024)	16,858	-	183,462
Mills & Reeve Grassroots Fund	71,822	(438)	7,179	-	78,563
Mike Holland fund	161,593	-	14,627	-	176,220
Orbit Heart of England Fund	154,626	(1,220)	15,976	-	169,382
Property for Kids Grassroots Fund	28,219	(172)	2,821	-	30,868
PSA Peugeot Citroen	355,609	(2,172)	35,762	-	389,199
Solihull Community Foundation	289,894	-	26,241	-	316,135
CF	**13,309,178**	**342,282**	**1,271,026**	-	**14,922,486**

BF	**13,309,178**	**342,282**	**1,271,026**	-	**14,922,486**
Sandwell Community fund	384,705	-	34,823	-	419,528
Torrington House	249,485	(1,967)	25,782	-	273,300
Trustees' New Deal	180,281	-	16,318	-	196,599
Warwick Lying -in -trust	46,575	(284)	4,656	-	50,947
Willenhall Community Trust	74,572	-	6,750	-	81,322
Wolston Fund	-	-	9,507	100,000	109,507
Youell family fund 1	1,468,208	-	132,900	-	1,601,108
Youell family fund 2	901,476	-	-	-	901,476
South Birmingham Friends Endowments	2,739,458	-	107,627	(75,940)	2,771,145
Donor control accounts	111,536	(3,785)	-	(24,060)	83,691
	19,465,474	**336,246**	**1,609,389**	**-**	**21,411,109**

The investment income is allocated, on an annual basis, to unrestricted core funds £164,277 (2023: £122,121) and Grants for distribution £311,310 (2023: £239,560). Endowment funds include unrealised valuation gains of £1,673,704 (2023: losses of £997,675).

The previous table includes the following funds relating to the Community First Programme

	1 April 2023 £	**Net Incoming Resources** £	**Investment Gains/(losses)** £	**Transfers** £	**31 March 2024** £
Coventry Nursing Trust	353,055	-	31,958	-	385,013
Harry Payne Fund	3,501,497	-	296,207	-	3,797,704
High Sherrif of Warwickshire	219,588	-	19,876	-	239,464
James Kenning	59,151	-	5,355	-	64,506
Solihull Community Foundation	289,894	-	26,241	-	316,135
Trustees' New Deal	180,281	-	16,318	-	196,599
Willenhall Community Trust	74,572	-	6,750	-	81,322
Youell Family Fund 1	1,468,208	-	132,900	-	1,601,108
	6,146,246	-	535,605	-	6,681,851

17 Restricted Funds

	1 April 2023	Income	Expenses	Transfers	31 March 2024
	£	£	£	£	£
Core					
Big Lottery Fund, European Social Fund, Building Better Opportunities	23,551	-	(36,174)	12,623	-
PSA Peugeot Citroen (in Kind)	-	70,050	(70,050)	-	-
	23,551	70,050	(106,224)	12,623	-

	1st April 2023	Income	Expenses	Transfers	31 March 2024
Distributable grants	£	£	£	£	£
29th May 1961 Charitable Trust	17,479	21,000	(13,550)	-	24,929
Alan Edward Higgs Charity	9,840	9,412	(3,940)	-	15,312
Annie Bettman fund	6,774	-	(6,774)	-	-
AXA	2,166	1,783	(2,165)	-	1,784
Birmingham Funds	91,581	10,322	(92,375)	3,800	13,328
Birmingham Mail Charity Fund	1,569	2,722	(1,569)	-	2,722
Birmingham Sports	8,183		(8,183)	-	-
Breathe Better Air	-	70,833	(48,104)	-	22,729
Brethertons	-	3,000	(3,000)	-	-
Bristol and West	-	598	(598)	-	-
Building better lives	110,752	71,564	(40,053)	-	142,263
Community Energy Warwickshire	5,293	7,369	(5,200)	-	7,462
CF	**253,637**	**198,603**	**(225,511)**	**3,800**	**230,529**

BF	**253,637**	**198,603**	**(225,511)**	**3,800**	**230,529**
Community Environment Fund	-	429,579	(429,579)	-	-
Coventry Building Society	82,062	86,170	(73,315)	-	94,917
Coventry City of Culture Fund	37,269	-	-	-	37,269
Coventry Community Fund	-	10,701	-	-	10,701
Coventry Nursing Trust	4,472	4,970	(4,472)	-	4,970
Coventry Warm Space Fund	52,933	-	(41,100)	-	11,833
DCMS Cost of Living Fund	16,754	(16,754)	-	-	-
Deutsche Bank	21,285	33,812	(19,743)	-	35,354
Drayton Manor Park	14,343	10,697	(7,908)	-	17,132
Dulverton Trust	7,671	99,299	(106,274)	-	696
Esme Fairbairn Foundation	54,153	-	(54,153)	-	-
Graham Griffiths Fund	40,610	-	(40,610)	-	-
Greggs Foundation	-	18,000	(17,412)	-	588
Gowlings	-	10,000	(10,000)	-	-
Harry Payne Fund	15,477	100,412	(110,914)	-	4,975
Harry Weston Fund	2,171	1,208	-	-	3,379
Heart of England Co-Operative Society	50,443	-	(34,957)	-	15,486
Heart of England Fund	93,780	8,838	(90,745)	1,282	13,155
High Sheriff's Fund	6,918	5,380	(2,500)	-	9,798
ICF	-	7,089,864	(7,089,864)	-	-
IM Community Fund	-	189,500	(118,076)	-	71,424
Income Maximisation Fund	-	948,649	(948,649)	-	-
International Children's Games	-	13,376	(12,305)	(500)	571
JLR Solihull Employees Charity Fund	30,968	787	(19,849)	-	11,906
John Taylor	2,860	-	(2,000)	(860)	-
Jumping Through Hoops	30,219	19,611	-	-	49,830
Kingscliffe Fund	-	10,000	-	-	10,000
CF	**818,025**	**9,272,702**	**(9,459,936)**	**3,722**	**634,513**

BF	**818,025**	**9,272,702**	**(9,459,936)**	**3,722**	**634,513**
Know Your Neighbourhood	333	1,171,334	(1,171,666)	-	1
Leamington	4,240	2,351	(3,566)	-	3,025
Longleigh	19,084	-	-	-	19,084
Love my Keresley Community	18,200	(18,200)		-	-
Mayflex UK Ltd	9,200	-	(6,000)	-	3,200
Medwell	-	2,000	(2,000)	-	-
Mike Holland Fund	3,067	3,083	(4,591)	-	1,559
NHS - Small Grants	-	72,049	-	-	72,049
NNS Birmingham City Council	139,466	390,960	(325,809)	-	204,617
NNS Track & Trace	46,600	-	-	-	46,600
Orbit Heart of England Fund	115,309	36,469	(144,370)	-	7,408
Positive Futures	53,295	90,000	(58,069)	-	85,226
Peddimore fund	44,185	27,000	(28,060)	-	43,125
PSA Peugeot Citroen	2,905	985	-	-	3,890
PHP	-	85,000	(75,000)	-	10,000
Recom Fund	20,000	-	-	-	20,000
Sandwell Community fund	33,283	7,339	(300)	-	40,322
SBFI	-	-	(25,000)	25,000	-
SEGRO	422	-	-	(422)	-
Solihull Community Foundation	3,909	1,182	(3,909)	-	1,182
Solihull Celebrating Communities	3,262	-	(3,262)	-	-
Solihull Fairer Futures Fund	-	200,000	(165,580)	-	34,420
Solihull Hong Kong Fund	-	29,000	(29,000)	-	-
Solihull Warm Welcome Hub Fund	-	51,151	(51,151)	-	-
Solihull Winter Wellbeing	68	-	860	-	928
Stellantis Employee Fund	12,169	-	(5,079)	-	7,090
Tipton Education Fund	46,198	11,700	(16,997)	-	40,901
CF	**1,393,220**	**11,436,105**	**(11,578,485)**	**28,300**	**1,279,140**

BF	**1,393,220**	**11,436,105**	**(11,578,485)**	**28,300**	**1,279,140**
The David East Fund	9,575	18,000	(20,505)	-	7,070
Together in Solihull Afghan Fund	-	18,170	(18,170)	-	-
Together in Solihull Asylum Seekers Fund	-	18,170	(18,170)	-	-
Together in Solihull Ukraine Fund	-	45,410	(45,410)	-	-
Torrington House	17,328	2,264	(8,931)	-	10,661
Vital EV Solutions	4,500	-	(4,500)	-	-
WCC Social Fabric Fund	-	1,260,000	(712,677)	-	547,323
Wesleyan fund	438,525	847,100	(413,878)	-	871,747
Windsor Academy Trust	-	9,354	-	-	9,354
WMCA Green Grants	-	250,577	(250,577)	-	-
Wolston	-	1,439	-	-	1,439
Youell family fund	29,932	38,151	(29,933)	-	38,150
Young at Heart	224,895	-	(10,000)	(3,800)	211,095
	2,117,975	**13,944,740**	**(13,111,236)**	**24,500**	**2,975,979**

18 Designated Funds

	1 April 2023	Income	Expenses	Gains/Loss on Investments	Transfers	31 March 2024
	£	£	£	£	£	£
BBO Provision	120,463	-	-	-	(12,622)	107,841
Birmingham City Council	2,650	-	-	-	(2,650)	-
Coventry Building Society	8,190	-	-	-	(8,190)	-
Community Energy Warwickshire	698				(698)	-
Heart of England Fund	296,791	-	(300)	-	(10,000)	286,491
IM Development	13,000		-		(13,000)	-
Mayflex Fund	800	-	-	-	(800)	-
Orbit	8,145	-	-	-	(8,145)	-
South Birmingham Friends Fund	38,820	13,167	-		(25,000)	26,987
Warwickshire County Council	500	-	-	-	(500)	-
Wesleyan	30,400	-			(30,400)	-
Youell Family Fund	704,551	-	(4,291)	64,315	-	764,575
	1,225,008	13,167	(4,591)	64,315	(112,005)	1,185,894

The Youell Family Fund is a Legacy from the late Alfred Youell MBE.

The BBO Provision fund represents an amount set aside to cover any clawback from the BBO programme in the future.

The Heart of England Fund is a fund set up by the Trustees that can be used for immediate need in the community that the Charity could support.

The SBFI Fund is an amount set aside for future grant making.

19 Analysis of fund balances between net assets

	General Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2024
	£	£	£	£	£
Tangible Fixed Assets	9,779	-	-	1,185,000	1,194,779
Investments	340,523	764,575	-	20,052,731	21,157,829
Bank and Cash Balances	808,045	421,319	8,653,612	173,378	10,056,354
Debtors	235,471	-	1,483,026	-	1,718,497
Creditors	(317,596)	-	(7,160,659)	-	(7,478,255)
	1,076,222	1,185,894	2,975,979	21,411,109	26,649,204

20 Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income for year	3,066,799	2,115,049
Dividend Received	(475,587)	(371,235)
Rents received from investment properties	(124,739)	(90,277)
Interest receivable	(174,045)	(55,811)
Depreciation and impairment of tangible fixed assets	395	1,505
(Gains)/losses on investments	(1,673,704)	997,675
Receipt of endowment	(393,798)	(2,924,204)
(Increase)/decrease in debtors	(1,186,129)	(309,102)
Increase /(decrease) in creditors	6,966,435	(746,969)
Net cash flow from operating activities	6,005,627	(1,383,369)

Analysis of Net Debt

	1st April 2023	Cashflow	31st March 2024
Cash and cash equivalents	£3,307,897	£6,748,457	£10,056,354

21 Control Relationships

The Board of Trustees is ultimately responsible for the control of the Charitable Foundation.

22 Taxation

The Foundation is a registered charity and its activities are such that no liability to Corporation tax arises on its results for the year.

23 Members' Guarantee

Every member has agreed that, if the charity is dissolved, while he or she remains a member or within twelve months afterwards, to contribute up to £10 towards the cost of dissolution and the liabilities of the charity.

24 Pensions and Post Retirement Benefits

Defined contribution pension plans –

The charity contributes to the money purchase pension plan for certain of its employees. The amount recognised as an expense in the period was £29,796 (2023: £11,043).

25 Financial Instruments

The carrying value of the charity's Financial instruments

	2024 £	2023 £
Financial Assets		
Measured at fair value through net income / expenditure:		
Fixed asset investments (note 12)	19,575,829	17,485,415
Measured at amortised cost:		
Barn rent receivable	25,493	25,043

The income, expenditure, net gains and net losses attributable to the charity's financial instruments are as follows:

	2024 £	2023 £
Net gains and losses		
Financial assets measured at fair value through net income / expenditure	1,673,704	(997,675)

26 Operating Leases – Lessor

Total future minimum lease payments collectable under non-cancellable operating leases:

	2024 £	2023 £
Within one year	16,050	63,200
1-5 years	72,900	8,661
More than 5 years	75,000	-
Total	163,950	71,861

The Foundation lets the large and small Youell Barns and the SBFI properties. The small barn lease was renewed during 2023-24 for a period of ten years. The large barn lease was under review at 31st March 2024 with terms yet to be agreed. The SBFI properties are subject to individual agreements which are reviewed annually.

HEART OF ENGLAND COMMUNITY FOUNDATION

England & Wales - Charity number 1117345

Accounts

heart of england
COMMUNITY FOUNDATION

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

REGISTERED CHARITY NO. 1117345
COMPANY REGISTERED NO. 5999452

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

CONTENTS

Trustees and Staff	3
Professional Advisors	4
Trustees' Report *(including Directors Report and Strategic Report)*	5 – 14
Auditors' Report	15 – 18
Statement of financial activities *(including Income and Expenditure Account)*	19 - 20
Balance sheet	21
Statement of Cash flow	22
Notes	23 - 43

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee, no. 5999452)
YEAR ENDED 31 MARCH 2023

TRUSTEES AND STAFF

Registered Office: Stellantis
Pinley House, Sunbeam Way
Coventry CV3 1ND

Corporate Patron: Stellantis
Patron: Mrs Sally Carrick

Presidents: Tim Cox, the Lord Lieutenant of Warwickshire
Sir John Crabtree OBE, the Lord Lieutenant of the West Midlands

Trustees:	
Mr Phil Ewing	Retired 9th June 22
Ms. Michelle Vincent	Treasurer
Mr Paul Belfield	
Mr. Amrik Bhabra MBE	
Ms. Lucie Byron	
Mr Christopher West	Chair
Ms Jude Jennison	
Mr John Taylor	Deceased 25th May 2022
Mr Daniel Worthing	
Mr Russell Bailey	Resigned 5th October 2022
Mr Calum Nisbet	
Ms Jasmin Koasha	Resigned 4th October 2023
Ms Alethea Fuller	
Ms Cleo Morris	
Mr Richard Port	Appointed on 5th October 2022

Staff:		
	Tina Costello	Chief Executive Officer
	Helen Kendrick*	Senior Manager Operations
	Shamiela Ahmed	Senior Manager Grants
	Jayne Taylor-Farren*	Senior Manager Finance
	Ryan Boyce	Senior Manager Communications
	Jenny Whateley	Grants Officer
	Sarah Lafford*	Grants Officer
	Freya Crichton	Grants Officer
	Aunjna Jani	Grants Officer
	Charleene Jefferson	Executive Officer
	Paramjit Kaur	Finance officer
	Zain Khan	Systems and Data Officer

**Part-Time*

PROFESSIONAL ADVISORS

Auditors:

Dafferns LLP
One Eastwood, Harry Weston Road
Binley Business Park
Coventry, West Midlands
CV3 2UB

Investment Managers:

Quilter Cheviot
Three Temple Quay
Temple Way
Bristol
BS1 6DZ

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Rathbones
Temple Point
1 Temple Row
Birmingham
B2 5LG

James Hambro &
Partners LLP
45 Pall Mall
London
SW1Y 5JG

EFG Harris Allday
33 Great Charles Street
Birmingham
B3 3JN

M and G
Investments
PO Box 9039
Chelmsford
CM99 2XG

Bankers:

CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling, Kent
ME19 4JQ

Santander Bank
Bootle
Merseyside
L30 4GB

Solicitors:

Wright Hassall LLP
Olympus Avenue
Leamington Spa
Warwickshire

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2023
TRUSTEES' REPORT including DIRECTOR'S REPORT

The Trustees have pleasure in presenting their Annual Report along with the financial statements of the charity for the year ending 31 March 2023.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland as amended for accounting periods commencing on or after 1 January 2019 and the Companies Act 2006.

1. Structure, Governance and Management

1.1 Objects and Activities

The objects of the Community Foundation are defined in its Memorandum and Articles of Association. The Community Foundation manages a diverse portfolio of grant programmes working with a range of donors to provide charitable and philanthropic services across the geographical areas of Birmingham, Black Country, Coventry, Solihull, and Warwickshire. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the current aims and objectives and in planning future strategies and setting grant making policies.

Our activities are determined by our charitable objectives:

- The promotion of any charitable purposes for the benefit of communities within the County of West Midlands and Warwickshire, United Kingdom and the advancement of education, the protection of good health and the relief of poverty and sickness
- Any other exclusively charitable purposes, which are, in the opinion of the Trustees, beneficial to the community in benefit.

The Foundation exists to support the local voluntary and community sector across the West Midlands and Warwickshire. We work with a range of donors to offer bespoke, tailored philanthropic services. We aim to inspire and encourage local giving; we are advocates for smaller organisations who are often under the radar of national funders but making a huge difference at the heart of their communities.

The Foundation primarily supports not for profit organisations with grants which make an impact at a local level. We endeavour to have a balanced portfolio of grant programmes which enables us to fund a wide cross section of organisations supporting those most in need.

1.1 Objects and activities (continued)

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by the Heart of England Community Foundation and in planning future activities. The benefits of our activities are described in this Annual Report and relate directly to our aims and objectives.

1.2 Board Appointments

At each AGM, one third of the Trustees must retire, those longest in office retiring first. The Board of Trustees meet on a quarterly basis.

Our AGM was held on 5th October 2022, in which Russell Bailey retired from the board. Chris West thanked Russell for his integral role in supporting the development of our Building Better Lives Programme.

We were delighted to appoint Richard Port MBE as a new Trustee to the foundation. Richard is a partner and family law solicitor at George Green LLP, he received an MBE for his fantastic work supporting women fleeing domestic abuse and is already an integral part of the Trustee board.

The names of the Trustees who have served throughout the financial year and to the date of this report are shown on page 3. All Trustees have a full induction and are regularly updated on the operational running of the Foundation.

Following the recommendations from Quality Accreditation 5, we will be undertaking a governance review, looking at the current size and skills on our board, with a view to reducing the number of Trustees and establishing advisory panels.

1.3 Board Subcommittees

The Foundation has four main sub-committees:

Finance and Investment Committee, responsible for:

- Budgets and overseeing investment performance.
- Quarterly investment returns and endowment performance.
- Comparison of Investment Managers
- Maximisation of interest rate returns
- Reviewing investment strategy
- Annual meetings with all Investment Managers
- Reviewing asset class investments
- Considering appropriate avenue for unrestricted core income
- Reviewing quarterly management accounts
- Analysing forecast against actual performance
- Monitoring and review finance resources

Management Committee, responsible for:

- Management of governance and operational risks
- Approval of new and revisions to policies and procedures
- Maintaining oversight of the risk register
- Maintaining oversight of the charity's operations
- Oversight and monitoring of operational projects and programmes
- Maintaining oversight of operational decision making on HR changes include-disciplinaries, performance management and recruitment.
- Approval of formal HR changes such as staffing re-structures.
- Approval of pay awards as the charity's renumeration committee.
- Approval of recommendations for new tenders/contracts and grant programmes in line with the delegation of authority policy.

Grant Sub-Committees, responsible for:

- responsible for decision making on non-donor-directed funds across all our areas of benefit including:
- Strategic overview of grant making to ensure equitable and fair distribution of funds.
- Profiling annual grant budgets.
- Review of impact of grants awarded.

We have two independent decision-making committees, the Coventry, Solihull and Warwickshire Panel and the Birmingham and Black Country Panel. Both panels have representation from key stakeholders, community activists, and chaired by a Foundation Trustee.

1.3 Board Subcommittees (continued)

Learning from the pandemic, we've continued to hold hybrid meetings which works well for our volunteer panels.

The Trustees would like to thank our fantastic volunteers who give their valuable time and commitment to support our decision making.

1.4 Business Planning

We are now in the final year of our 3-year strategy and operational plan. The foundation had several key priorities:

- Ensure all our communities recognise we are open and willing to support them.
- Maintain strong relationships with existing donors.
- Continually seek to attract new donors to increase our social investment.
- To be an equitable, diverse, and inclusive funder.
- Continually review our own organisation through strong finance and governance.

We are a charity committed to learning and reflection, we understand our role locally and it's of vital importance that all communities recognise our funding is available and we are open and willing to support them.

This year we embarked on several key priorities, the first to implement our 'single front door'. This approach aimed to negate the need for voluntary organisations to choose a particular fund to apply for but simply apply through a single portal. We undertook user testing with local voluntary groups, we tested it continuously with the staff team and we launched it last year. After trialling our front door for 6 months, it presented problems as some of our funds were not suitable for the portal, some decision-making panels met at different times, so it became more complex than we envisaged.

We have now reverted to our traditional route of applying for grants but are working on several short video content to help groups decide which fund, what makes a good application and general hints and tips.

A huge success was our Foundation Roadshows, holding events in every area we serve across the West Midland and Warwickshire. The roadshows were well attended, we had mini workshops for advice and guidance on governance, social media, and financial planning, we are planning a series of roadshows in 2023.

We strive to ensure our donors have an exceptional service, each donor receives a bespoke impact report according to their wishes and with the development of our existing customer relationship management system, donors will have their own log in to monitor their fund in terms of spend and grants against specific priorities.

1.4 Business Planning (continued)

As we grow as a charity, our focus in this financial year has been to analyse gaps in the current team and recruit new posts to strengthen the foundation and ensure capacity within the wider staff team.

Strong finance and governance are imperative to ensure the sustainability and viability of our organisation. Our Finance and Investment committee meet quarterly to monitor our forecast budget and investments. During the year a selection of underperforming investments were moved to a new investment house with a strong focus on ethical investment.

As reported last year, the Foundation undertook an external evaluation of our grant making to create a narrative about our places rooted in evidence and support evidenced based priorities. We have used this data and intelligence to prioritise particular communities of interest with the funds we manage. We have also recruited a Data and Systems officer who will look at our impact annually and identify gaps in both geography and communities of interest, enabling us to prioritise our funds accordingly.

In October 2023 the senior staff team and the full Board of Trustees have met to plan and develop our next 3-year strategy, reflecting on our successes, challenges and learning over the previous 3 years.

1.5 Risk Management

The principal identified risks to which the Foundation are exposed are integrated into the business plan to ensure they are regularly reviewed. The Foundation also maintains a risk register which is reviewed on a half-yearly basis by the Management Committee.

As part of QA5 and in light of the pandemic, we have reviewed and amended our risk register accordingly, the risks are predominantly the same but in particular loss of income and loss of tenants in our commercially rented barns have been rated higher.

1.6 Pay Policy for Senior Staff

The Trustees consider the senior management team to comprise the key personnel of the Charity in charge of directing, running, and operating the Charity on a day-to-day basis. The pay of senior staff is reviewed annually by the Management Committee and is based on performance and average earnings across the sector.

1.7 Fundraising Regulator Statement of Compliance

Heart of England Community Foundation does not contract to a third party to undertake any fundraising on its behalf. The charity does employ a Marketing Manager who initiates campaigns and supports fundraising activities. We have received no fundraising complaints during the year.

The charity only makes fundraising approaches to contacts who have given explicit consent to receive such campaign documentation under GDPR guidelines.

2. Achievements and Financial Performance for 2022-23

The foundation is fortunate to have had another successful year, building on relationships with existing donors, securing new donors, and growing our long-term investments.

Working in partnership with the West Midlands Combined Authority (WMCA) we have delivered a fantastic programme, supporting projects to improve green spaces in urban areas, developing local food growing in community centres and larger scale projects focus on improving biodiversity and existing places of natural habitat. The Green Grants programme will end in September 2023 and reflecting on this programme the WMCA will be tendering for a similar programme for our region but with extended principles and priorities.

Our partnerships with both Birmingham City Council and Solihull Metropolitan Borough Council continue to grow, working with us to deliver further programmes on their behalf.

In relation to Birmingham City Council, we are currently delivering a Cost-of- Living Impact Fund, a fund supporting local foodbanks, a programme for young adults and a city-wide programme. We are always grateful for donors who continue to work with us and see the benefit of outsourcing grant making to a place-based foundation.

In relation to Solihull MBC, we delivered a Resilience Fund in addition to the Well Being and Recovery Fund. We've recently launched new programmes and again, a huge thank you to Solihull MBC for continuing to work with us.

Our donors see the benefit of working with the foundation, we demonstrate agility, effectiveness and a knowledge of our region and the plethora of organisations that represent our voluntary and community sector. Through the generosity of one of our corporate donors, Coventry Building Society set up an emergency fund through us to support warm spaces throughout the challenging winter months.

We are also pleased to be delivering a West Midlands wide fund on behalf of the Dulverton Trust, a fantastic programme which we will deliver over a 3-year period.

Working with UKCF, we are currently delivering Know Your Neighbourhood on behalf of the Department for Digital, Culture, Media, and Sport (DCMS). This programme is specifically for Wolverhampton, an area highlighted for chronic loneliness within its communities.

In terms of endowment, we successfully transferred the dormant assets of Coventry City Council, a new long-term investment for communities across Coventry. The funds have not been received in this financial year, but the signed legal agreement is in place.

2. Achievements and Financial Performance for 2022-23 (continued)

Part of the role of a Community Foundation is to revitalise dormant charities or take over the administration of a charity with succession planning. Over the past 5 years we have been working with a Birmingham based charity, South Birmingham Friends Institute (SBFI), a Quaker charity with a long history of serving communities across the West Midlands.

In February 2023 the transfer of SBFI took place, some of the trustees will remain involved and will form the South Birmingham Friends Fund decision making panel. The benefits of transferring assets to the foundation are the original donor can still be involved but without the administrative burden.

SBFI also transferred 5 residential properties in Birmingham. We have employed a managing agent to oversee the general management of the properties as this is a new area for us and we want to be exemplary landlords. Our CEO has met with all current tenants to alleviate any concerns they may have had.

Key Performance Measures

Our operational plan and financial pipeline are regularly reviewed at the relevant committee meetings, and we are now at the stage of planning our next 3-year strategy to 2027.

Human Resources

It has been a challenging time for recruitment, this seems to be across all sectors. We have increased our staff team to include a Grants Administrator and a Data and Systems officer who will be integral in analysing our data and intelligence.

Sadly, our existing Senior Finance Manager has resigned but we have successfully recruited to the position.

Incoming Resources

The Foundation's total incoming resources for 2022-23 were £6,635,825 and the overall funds of the foundation increased by £2,115,049 to £23,582,405.

Endowed Donations

We have secured the transfer of the South Birmingham Friend's Institute Charity and the dormant assets held with Coventry City Council.

We will always have a focus on endowment growth so are currently developing a plan to raise our profile with regional financial and wealth advisors.

2. Achievements and Financial Performance for 2022-23 (continued)

Investments

The Foundation's investment policy, updated and reviewed every three years, is for a balanced portfolio which produces reasonable income for grant making whilst growing the value of the assets to protect them against the effects of inflation or other defining factors in the longer term. This is considered a relatively low risk approach.

Our stock market investments are managed by James Hambro, CCLA and Rathbones. Performance is bench marked against the FTSE APCIMS (Association of Private Client Investment Managers) Index.

Investment performance over the 12-month period ending 31st March 2023 continued to be impacted by equity market volatility linked to the COVID-19 pandemic. Prior to the aggressive sell-off we saw in February and March 2020 global capital markets had been broadly positive, recovering the losses made.

Grants

The total grant income for 2022-23 was £2,708,965 which was a decrease of £476,476 from the previous fiscal year. Our total grant expenditure was £2,866,131, a full report on the foundation's discretionary grant making will be available on our website.

Restricted Core Income

Restricted core income in 2022-23 was £66,714 compared to £59,305 in the previous fiscal year.

Unrestricted Core Income

Our unrestricted core income this year is derived from several sources, our investments, general donations, and our commercially rented properties. The delivery of programmes on behalf of donors such as Wesleyan Assurance, Coventry Building Society, West Midlands Combined Authority, Solihull MBC and Birmingham City Council support our operating costs.

The balance of our unrestricted income is, at present, used to meet core expenditure which is not covered by restricted income. Unrestricted income for 2022-23 was £495,789 compared with £447,222 in the previous fiscal year.

We are eternally grateful to all of the donors who choose to work with us but a huge thank you to 29th May 1961 Charitable Trust for their annual unrestricted donation.

Expenditure

The Foundation made an operating gain on unrestricted general funds of £70,493 (excluding gain on investment assets) which compares with a budgeted gain for the year of £34,681 and an operating gain in the previous year of £3,256.

Designated Funds

Our designated funds as of 31st March 2023 totalled £1,225,008. These include the current value of £704,551 from the Youell Legacy plus funds of £520,457 for the delivery of grant programmes in 2023-24, which are not regarded as free reserves by the Trustees.

3. Reserves Policy

A considerable part of the Foundation's income is derived from unrestricted core donations of which there is no certainty and management fees for the delivery of flow through grant programmes which are usually time bound. The Trustees believe it to be necessary to retain sufficient free reserves to maintain the Foundation operationally between the times such schemes end, and new programmes come on board. New funding streams are often subject to competitive tendering and cannot be relied upon with certainty. Free reserves must also be retained to cover statutory obligations to our staff should that prove necessary.

It is therefore the policy of the Foundation to maintain, always, free reserves of no less than the equivalent of six months core (support and governance) costs. At the 31 March 2023, total reserves were £23,582,405 of which endowed funds were £19,465,474 and restricted funds were £2,141,526. Of the remaining unrestricted funds totalling £1,975,405, £1,225,008 has been designated by Trustees. The actual free reserves at the end of the fiscal year equate to £750,397. However, £342,069 of these free reserves represent non-liquid fixed assets. The balance of £408,328 is 8 months of budgeted core costs for 2023-24.

4. Trustees' Responsibilities Statement for Charitable Companies

The Trustees (who are also Directors of the Heart of England Community Foundation for the purposes of company law) are responsible for the preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare Financial Statements for each fiscal year, which give a true and fair view of the of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

4. Trustees' Responsibilities Statement for Charitable Companies (continued)

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

In so far as the Trustees are aware:

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

5. Auditors

A resolution to re-appoint Dafferns LLP as the Charity's auditor will be proposed at the forthcoming Annual General Meeting. The report of the Trustees has been prepared taking advantage of the small companies' exemption in the Companies Act 2006. This report was approved by the Board of Trustees and authorised for issue on 19th October 2023 and is signed on its behalf by:

Chris West
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEART OF ENGLAND COMMUNITY FOUNDATION (A company limited by guarantee)

Opinion

We have audited the financial statements of The Heart of England Community Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, the Statement of Cashflows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its profit 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

[continued ...]

Other information

The Trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

[continued ...]

- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page thirteen 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 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

[continued ...]

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Signed:.....

Geoffrey Cox BA FCA (Senior Statutory Auditor)

For and on behalf of Dafferns LLP,

Chartered Accountants, Registered Auditors

One Eastwood, Harry Weston Road

Binley Business Park, Coventry, CV3 2UB

Date 19 October 2023

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted		Restricted Funds			
		General Funds	Designated Funds	Core Costs	Distributable Grants	Endowment Funds	2023
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	349,791	-	66,714	2,708,965	2,924,204	6,049,674
Rental Income		88,445	1,832	-	-	-	90,277
Investment Income		-	-	-	-	371,235	371,235
Bank Interest		55,803	8	-	-	-	55,811
Other Income		1,750	67,078	-	-	-	68,828
Total Income and Endowments		495,789	68,918	66,714	2,708,965	3,295,439	6,635,825
Expenditure							
Raising Funds	3	58,664	-				58,664
Investment Management Costs		-	4,614	-	-	43,096	47,710
Charitable Activities - Grants	4	-	8,000	-	2,858,131	-	2,866,131
Charitable Activities - Support costs	5	431,083	30,098	66,714	139	-	528,034
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		-	-	9,650	-	-	9,650
Governance	8	12,912	-	-	-	-	12,912
Total Expenditure		502,659	42,712	76,364	2,858,270	43,096	3,523,101
Net Gain/(loss) on investment assets	11	68,744	(28,640)	-	-	(1,037,779)	(997,675)
Net Income/(expenditure)		61,874	(2,434)	(9,650)	(149,305)	2,214,564	2,115,049
Transfers between funds	9	77,363	(93,685)	-	(376,614)	392,936	-
Net Movement in Funds		139,237	(96,119)	(9,650)	(525,919)	2,607,500	2,115,049
Funds at 31 March 2022		611,160	1,321,127	33,201	2,643,894	16,857,974	21,467,356
Funds at 31 March 2023		750,397	1,225,008	23,551	2,117,975	19,465,474	23,582,405

Note: For Companies Act purposes the deficit for the year (excluding the net movement of Endowment Funds) was £492,451 (2022: surplus £229,447). There were no discontinued activities during the year. The Statement of Financial Activities includes all gains and losses recognised during the year.
Prior year comparatives are shown on page 20, please continue overleaf.

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted		Restricted Funds			
		General Funds	Designated Funds	Core Costs	Distributable Grants	Endowment Funds	2022
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	351,266	42,035	59,170	3,185,441	116,618	3,754,530
Rental Income		88,668	-	-	-	-	88,668
Investment Income		-	-	-	-	339,971	339,971
Bank Interest		4,938	-	135	-	-	5,073
Other Income		2,350	-	-	-	-	2,350
Total Income and Endowments		447,222	42,035	59,305	3,185,441	456,589	4,190,592
Expenditure							
Raising Funds	3	55,352	-	-	-	-	55,352
Investment Management Costs		-	4,532	-	-	54,871	59,403
Charitable Activities - Grants	4	-	57,599	-	3,255,917	-	3,313,516
Charitable Activities - Support costs	5	452,061	-	58,971	115	-	511,147
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		-	-	-	-	-	-
Governance	8	10,560	-	-	-	-	10,560
Total Expenditure		517,973	62,131	58,971	3,256,032	54,871	3,949,978
Net Gain/(loss) on investment assets	11	-	59,911	-	-	862,064	921,975
Net Income/(expenditure)		(70,751)	39,815	334	(70,591)	1,263,782	1,162,589
Transfers between funds	9	74,007	(4,015)	-	260,648	(330,640)	-
Net Movement in Funds		3,256	35,800	334	190,057	933,142	1,162,589
Funds at 31 March 2021		607,904	1,285,327	32,867	2,453,837	15,924,832	20,304,767
Funds at 31 March 2022		611,160	1,321,127	33,201	2,643,894	16,857,974	21,467,356

HEART OF ENGLAND COMMUNITY FOUNDATION

(A company limited by guarantee) Company Registration no. 5999452

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31 March 2023		31 March 2022	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	10		1,186,545		1,472
Investments					
Investment properties	11	1,582,000		1,005,000	
Listed investments	11	17,485,415		15,716,627	
Cash at Investment Managers		162,763		388,681	
			19,230,178		17,110,308
			20,416,723		17,111,780
Current Assets					
Cash at Bank and in hand		3,145,134		5,391,099	
Debtors	12	532,368		223,266	
		3,677,502		5,614,365	
Creditors: amounts falling due within one year	13	511,820		1,258,789	
Net Current Assets			3,165,682		4,355,576
Net Assets			23,582,405		21,467,356
Funds of the Charity					
Capital Funds					
Endowment Funds	14		19,465,474		16,857,974
Income Funds					
Restricted Funds	15		2,141,526		2,677,095
Unrestricted Funds (Designated)	16	1,225,008		1,321,127	
Unrestricted Funds (General)		750,397		611,160	
Total unrestricted Funds			1,975,405		1,932,287
Total Funds			23,582,405		21,467,356

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the trustees and authorised for issue on 19th October 2023 and are signed on their behalf by

Chris West - Chairman

Michelle Vincent- Trustee

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2022
		£	£
Cashflow from operating activities	18	(1,383,369)	309,309
Net cash flow from operating activities		(1,383,369)	309,309
Cash flow from investing activities			
Payments to acquire investments	11	(7,607,410)	(2,392,437)
Receipts from sales of investments	11	4,263,947	1,881,428
Payments to acquire tangible fixxed assets		(1,186,578)	-
Interest received		55,811	5,073
Dividends received		371,235	339,971
Rents received from investment properties		90,277	88,668
Net cash flow from investing activities		(4,012,718)	(77,297)
Cash flow from financing activities			
Receipt of permanent endowments		2,924,204	116,618
Net cash flows from financing activities		2,924,204	116,618
Net Increase/(decrease) in cash and cash equivalents		(2,471,883)	348,630
Cash and cash equivalents at 1 April 2022		5,779,780	5,431,150
Cash and cash equivalents at 31 March 2023		3,307,897	5,779,780
Cash and cash equivalents consist of:			
Cash at bank and in hand		3,145,134	5,391,099
Short term deposits		162,763	388,681
Cash and cash equivalents at 31 March 2023		3,307,897	5,779,780

1. Accounting policies

Basis of preparation

Heart of England Community Foundation is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to act as a conduit for philanthropy, linking private and public funders with small community projects across the county of West Midlands.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods commencing on or after 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and after performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Reports.

For legacies entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

1. Accounting policies (continued)

Incoming Resources (continued)

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and irrecoverable VAT
Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of overhead and support costs
Overhead and support costs have been allocated between charitable activity and governance costs. Overhead and support costs relating to charitable activities have been apportioned on a basis consistent with the use of resources.

Charitable activities
Costs of charitable activities include grants made and support costs as shown in note 5.

Governance costs
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support cost allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Fundraising Costs
Fund-raising costs are those which are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

The analysis of these costs is included in note 3.

1. Accounting policies (continued)

Endowment funds

These funds include expendable endowments which arose from grants and donations given specifically to be held as capital unless the Trustees resolve they may be spent. It is the intention of the Trustees that these funds be maintained for the foreseeable future. Grants are funded from the income generated from the capital investments. There can be an initial period of income accumulation in accordance with the donor's wishes.

Restricted funds

These funds are received for specific purposes set by the grant funders or donors. These include funds received to enable grants to be paid to beneficiaries and meet the cost of projects and, in addition, funds received towards the Foundation's operating costs in managing those grants and projects.

Designated funds

These funds are unrestricted funds set aside by the Trustees for specific purposes.

Investments

Investments in listed securities and properties are shown on the balance sheet at their open market value. Profits and losses on sales of investments and the movements in market value are taken to the Statement of Financial Activities. Property in course of construction is valued at cost.

Fixed assets and depreciation

No depreciation is provided against the cost of land. Operational assets costing less than £1,000 are written off in full through the Statement of Financial Activities in the year of purchase. Depreciation is provided by the Foundation to write off the cost less the estimated residual value of other operational fixed assets by equal instalments over their useful economic lives as follows:

Office and computer equipment - 4 years

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised in expenditure.

Pension schemes

The charity operates defined contribution pension schemes. Contributions payable in the year are charged in the Statement of Financial Activities.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The trustees have considered the level of funds and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting policies (continued)

Financial instruments

Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Other financial assets, including investments in equity instruments and which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss.

Financial liabilities
Basic financial liabilities, including trade and other payables, and bank loans that are classified as debt are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Donations and Legacies

Donors contributed to the following restricted funds during the period:

	Core Costs	Distributable Grants	Total 2023	Total 2022
	£	£	£	£
29th May 1961 Charitable Trust	-	28,000	28,000	16,500
Alan Edward Higgs Fund	-	-	-	330,787
BRC Fund	-	12,186	12,186	-
Bullring and Grand Central Fund	-	-	-	1,800
Community Energy Warwickshire	-	7,047	7,047	6,918
Coronavirus Resilience Fund	-	-	-	(40)
Cost of Living Fund	-	697	697	-
Coventry Building Society	-	81,892	81,892	70,000
Coventry City of Culture Fund	-	25,000	25,000	90,000
Coventry Warm Space Fund	-	100,000	100,000	-
DCMS Cost of Living Fund	-	60,588	60,588	-
Deutsche Bank	-	-	-	31,500
Dulverton Trust	-	99,299	99,299	-
Edgbaston Emergency Food & Essential Supplies Fund	-	-	-	2,860
Esme Fairbairn Foundation	-	-	-	56,250
Graham Griffiths Fund	-	45,000	45,000	115,000
Harrison Beale & Owen	-	-	-	(5)
Heart of England	-	-	-	25,000
Helping Hearts	-	50,000	50,000	50,000
High Sheriff of Warwickshire	-	2,325	2,325	31,009
JLR Solihull Employees Charity Fund	-	321	321	56,861
John Taylor	-	2,860	2,860	-
Know Your Neighbourhood	-	135,333	135,333	-
Leamington Fund	-	2,767	2,767	3,293
Made by Sport	-	-	-	9,746
Mayflex UK Ltd	-	9,200	9,200	9,200
M and G Fund	-	13,011	13,011	-
NNS Birmingham City Council	-	388,310	388,310	287,000
NNS Food Bank	-	-	-	100,000
NNS Track and Trace	-	-	-	50,000
Orbit Individual Grants	-	550	550	-
Orbit First Year Tenancy	-	21,000	21,000	49,000
Orbit Hardship fund	-	212,731	212,731	172,727
PSA Peugeot Citroen	66,714	-	66,714	59,170
Pedimore	-	27,000	27,000	27,000
Positive futures	-	90,000	90,000	45,000
Solihul Celebrating Communities	-	-	-	121,440
Solihul Resilience Fund	-	50,600	50,600	-
Stellantis Employee Fund	-	-	-	21,004
The David East Fund	-	-	-	91,840
The Freemason's Charity	-	45,000	45,000	-
Tipton Education fund	-	10,800	10,800	10,800
Torrington House fund	-	-	-	579

2. Donations and Legacies (Continued)

	Core Costs	Distributable Grants	Total 2023	Total 2022
	£	£	£	£
Torrington House fund	-	-	-	579
Vital EV Solutions	-	4,500	4,500	-
Warwickshire County Council	-	343,748	343,748	1,000,000
Wesleyan	-	839,200	839,200	50
Solihull Winter Wellbeing	-	-	-	302,322
	66,714	**2,708,965**	**2,775,679**	**3,244,611**

Donations in kind

During the financial year PSA Peugeot Citroen (Stellantis) again provided office accommodation and facilities free of charge to the Foundation. The estimated value of these benefits is £66,714 (2022: £59,170) has been reflected in the Statement of Financial Activities as gifts and as support costs within the restricted core cost fund.

3. Fundraising Costs

	Unrestricted	Restricted	Total 2023
	£	£	£
Staff Costs	40,752	-	40,752
Other Costs	17,912	-	17,912
	58,664	-	58,664

	Unrestricted	Restricted	Total 2022
	£	£	£
Staff Costs	40,825	-	40,825
Other Costs	14,527	-	14,527
	55,352	-	55,352

4. **Grants**

	Total 2023 £	Total 2022 £
Grants awarded	2,866,131	3,313,516

For full details of grants awarded during the year please visit our website to download our 'Grants Making & social Investment Report 2022/23' at www.heartofenglandcf.co.uk

Grants awarded were wholly attributable to restricted funds in both the current and preceding year.

5. Support Costs

Items marked * are based on actual expenses, all others are pro-rated based on salary spread.

	Grants £	Administration £	2023 £
Staff costs (see note 6)*	155,315	189,818	345,133
Recruitment*	3,360	9,740	13,100
PR and advertising	4,080	4,997	9,077
Training and conferences	1,653	2,025	3,678
Subscriptions*	-	10,915	10,915
Travel and Subsistance	3,176	3,891	7,067
Staff welfare	480	588	1,068
Meetings	273	335	608
Printing and stationary	850	1,041	1,891
Postage and telephone	2,511	3,076	5,586
Office equipment	12,023	14,728	26,751
Legal costs	12,011	14,714	26,725
Professional fees*	-	9,234	9,234
Rent and rates *	-	4,307	4,307
Fixed asset depreciation	602	737	1,339
Office accommodation and facilities (see note 2)	26,685	32,690	59,375
Sundry expense*	312	110	422
Insurance	790	968	1,758
	224,121	**303,913**	**528,034**

The Support costs are incurred from the following funds:

	£
Unrestricted General Fund	431,083
Unrestricted Designated Fund	30,098
Restricted Core Fund	66,714
Restricted Grant Fund	139
	528,034

6. Staff Numbers and Costs

The average number of persons employed by the Foundation during the period was 11 (2022: 11), the full -time equivalent number of employees was 9.7 (2022: 9.5) and the aggregate payroll costs were as follows:

	Total 2023 £	Total 2022 £
Salaries	343,382	333,555
Casual staff costs	2,100	20,530
Social security costs	29,360	29,000
Other pension costs	11,043	11,529
	385,885	394,614
Support costs (see note 5)	345,133	353,789
Fundraising costs (see note 3)	40,752	40,825
	385,885	394,614

The number of employees earning over £60,000 per year (including benefits) in the period is as follows

	No.	No.
£80,001 - £90,000	1	1

7. Trustees' and key management personnel remuneration and expenses

The charity considers its key management personnel as Tina Costello.

The total amount of employee benefits (including employers NI) received by key management personnel is £83,049 (2022: £81,649).

The Trustees did not receive any remuneration during the year (2022: £nil). No expenses were claimed during the year (2022: Nil).

7.1 Third party related transactions

The charity paid £16,356 (2022: £8,444) to Adecs Limited, a company related to Amrik Bhabra, a Trustee, for IT services. The charity paid £11,116 (2022: £476) to Wright Hassall LLP, a company related to Lucie Byron. The charity paid £1,200 (2022: £nil) to Leaders By Nature Ltd, an organisation related to Jude Jenson.

8. Governance Costs

	Unrestricted	Restricted	Endowment	Total 2023	Total 2022
	£	£	£	£	£
Statutory audit fees	12,912	-	-	12,912	10,560
	12,912	-	-	12,912	10,560

The auditors' remuneration amount to an audit fee of £12,612 (2022: £10,320) and other services of £300 (2022: £240).

9. Transfer between funds

	General	Designated	Core costs	Distributable grants	Endowment funds
	£	£	£	£	£
Endowment income	122,121	-	-	239,560	(361,681)
Trustee allocation of unrestricted surplus to grant pots	(100,000)	-	-	100,000	-
Transfer of discretionary fund for running costs	45,242	(45,242)	-	-	-
Transfer of grant fund to Endowment				(754,617)	754,617
Transfer of Cost of Living Fund to grant fund	-	(47,952)	-	47,952	-
Transfer of Young at Heart Fund to unrestricted	10,000	(491)	-	(9,509)	-
	77,363	**(93,685)**	-	**(376,614)**	**392,936**

10. Tangible Fixed Assets

	Computer Equipment	Freehold Property	Total 2023	Total 2022
	£	£	£	£
Cost				
1 April 2022	25,893	-	25,893	25,893
Additions	1,578	1,185,000	1,186,578	-
Disposals	-	-	-	-
31 March 2023	27,471	1,185,000	1,212,471	25,893
Depreciation				
1 April 2022	24,421	-	24,421	20,176
Charge for year	1,505	-	1,505	4,245
31 March 2023	25,926	-	25,926	24,421
Net Book value 31 March 2023	1,545	1,185,000	1,186,545	1,472

11. Fixed Asset Investments

11.1 Listed Investments

	Managed by Quilter £	Managed by CCLA £	Managed by Rathbones £	Managed by James Hambro £	Managed by Harris Allday £	Managed by M and G	Total 2023 £
Market value at 1 April 2022	4,227,345	6,530,734	4,958,548	-	-	-	15,716,627
Additions at cost	273,022	1,937,248	2,013,290	2,187,665	795,454	60,731	7,267,410
Disposal proceeds	(3,848,768)	-	(224,050)	(191,129)	-	-	(4,263,947)
Gains/(losses)	(651,599)	(332,640)	(225,433)	5,242	(31,127)	882	(1,234,675)
Market value at 31 March 2023	-	8,135,342	6,522,355	2,001,778	764,327	61,613	17,485,415
Historical cost	-	5,156,654	5,683,737	1,996,536	795,454	60,731	13,693,112
Investments over 5% of portfolio value							
COIF Charities investment fund	-	5,143,976	-	-	-	-	5,143,976
Listed Investments at fair value comprise							
Equities	-	5,872,904	534,770	1,285,270	436,431	61,613	8,190,987
Securities	-	2,262,439	5,987,585	716,508	327,896	-	9,294,428
	-	8,135,342	6,522,355	2,001,778	764,327	61,613	17,485,415

The fair value of listed investments is determined by reference to the mid-market quoted price from F.T. Interactive Data at the balance sheet date.

11.2 Investment Properties

	Small Barn	Large Barn	South Birmingham Properties	Total 2023	Total 2022
	£	£	£	£	£
Valuations					
1 April 2022	155,000	850,000	-	1,005,000	1,005,000
Gain on revaluation	22,000	215,000	-	237,000	-
Additions	-	-	340,000	340,000	-
31 March 2023	177,000	1,065,000	340,000	1,582,000	1,005,000
Historical cost	90,511	908,650	340,000	1,339,161	999,161

Two barn buildings and the land they stand on were donated to the Foundation for development into office buildings for letting when complete. The original value of the underdeveloped land and properties donated was estimated by the Trustees at £85,000.

Both barns were revalued at 31 March 23 on 30 June 2023 by Roger Stanway FRICS of Holt Commercial, Chartered Surveyors on the basis of fair value.

The South Birmingham Investment Property was transferred to the Foundation at a valuation of £340,000 on 28th February 2023.

12. Debtors

	Total 2023	Total 2022
	£	£
Grants and donations receivable	484,313	169,519
Bank interest receivable	9,622	1,151
Investment income receivable	-	16,566
Barn rent receivable	25,044	24,890
Other debtors	10,276	9,946
	529,255	222,072
Prepayments	3,113	1,194
	532,368	223,266

13. Creditors

	Total 2023 £	Total 2022 £
Trade Creditors	44,244	13,248
Unpaid Grants	362,214	1,095,900
Deferred Income	20,733	21,162
Employee tax and social security	7,929	7,437
VAT	8,770	8,770
Staff Pension scheme contribution	1,775	3,529
	445,665	1,150,046
Accruals	66,155	108,743
	511,820	1,258,789

Deferred income has arisen as a result of rental income being received in advance.

14. Endowment Funds

	31 March 2022	Net incoming/ (outgoing) resource	Investment Gains/(losses)	Transfers	31 March 2023
	£	£	£	£	£
Ambassadors	92,678	(268)	(14,019)	(78,391)	-
Alan Higgs Fund	512,769	-	(19,404)	-	493,365
Annie Bettman Fund	337,562	(1,751)	(48,515)	-	287,296
AXA	240,440	(696)	(39,611)	-	200,133
Birmingham fund	382,755	(2,390)	(15,835)	-	364,530
Birmingham Mail Charity Fund	58,086	(369)	(2,536)	-	55,181
Coventry Lord Mayor	25,807	(75)	(3,904)	(21,829)	-
Coventry Nursing trust	412,549	(1,097)	(58,397)	-	353,055
DBOI Grassroots Fund	161,732	(1,027)	(7,061)	-	153,644
Friends Provident	14,123	(41)	(2,327)	-	11,755
Building Better Lives	2,817,920	(17,552)	(121,369)	1,489,617	4,168,616
George & Vera Bryan Grassroots fund	228,223	(1,449)	(9,964)	-	216,810
Harry Weston Fund	59,664	-	(2,352)	6,000	63,312
Harry Payne Fund	3,728,662	-	(227,165)	-	3,501,497
Heart of England Fund	518,324	(1,500)	(83,390)	270,567	704,001
High Sheriff of Warwickshire	216,573	(100)	(11,885)	15,000	219,588
James Kenning	61,477	-	(2,326)	-	59,151
Jumping Through Hoops	1,281,268	(4,786)	(51,068)	2,439	1,227,853
Kingscliffe Fund	196,957	(1,022)	(28,307)	-	167,628
Midlands Heart	127,564	(369)	(19,296)	(107,899)	-
Mills & Reeve Grassroots Fund	75,603	(480)	(3,301)	-	71,822
Mike Holland fund	167,948	-	(6,355)	-	161,593
National Grid	84,533	(245)	(12,787)	(71,500)	-
Orbit Heart of England Fund	185,768	(538)	(30,604)	-	154,626
Property for Kids Grassroots Fund	29,705	(189)	(1,297)	-	28,219
PSA Peugeot Citroen	417,828	(2,168)	(60,051)	-	355,609
Rolls Royce	78,481	(227)	(11,872)	(66,382)	-
Sandwell Community Fund	399,835	-	(15,130)	-	384,705
South Birmingham Friends		2,770,064	(30,606)	-	2,739,458
Solihull Community Foundation	301,295	-	(11,401)	-	289,894
Torrington House	239,660	(694)	(39,482)	50,000	249,485
Trustees' New Deal	103,188	-	(3,978)	81,071	180,281
Warwick Lying -in -trust	49,026	(311)	(2,140)	-	46,575
Willenhall Community Trust	77,505	-	(2,933)	-	74,572
Youell Family Fund 1	1,681,998	(3,752)	(210,038)	-	1,468,208
Youell Family Fund 2	733,220	-	168,256	-	901,476
Donor Control Accounts	757,248	168,368	4,672	(818,750)	111,538
Investment Income/Investment costs		357,007		(357,007)	-
	16,857,974	3,252,343	(1,037,779)	392,936	19,465,474

14. Endowment Funds (continued)

The investment income is allocated, on an annual basis, to unrestricted core funds £122,121 (2022: £129,992) and Grants for distribution £239,560 (2022: £200,648). Endowment funds include unrealised valuation losses of £997,675 (2022: gains of £921,976).

The previous table includes the following funds relating to the Community First Programme

	31 March 2022	Net incoming Resources	Investment Gains/(losses)	Transfers	31 March 2023
	£	£	£	£	£
Coventry Nursing trust	33,618	320,514	(1,077)	-	353,055
Harry Payne Fund	3,728,661	-	(227,164)	-	3,501,497
High Sheriff of Warwickshire	182,076	44,179	(6,667)	-	219,588
James Kenning	61,477	-	(2,326)	-	59,151
Solihull Community Foundation	301,295	-	(11,401)	-	289,894
Trustees' New Deal	103,189	81,070	(3,978)	-	180,281
Willenhall Community Trust	77,505	-	(2,933)	-	74,572
Youell Family Fund 1	385,519	1,096,609	(13,920)	-	1,468,208
	4,873,340	1,542,372	(269,466)	-	6,146,246

15. Restricted Funds

	31 March 2022	Income	Expenditure	Transfers	31 March 2023
	£	£	£	£	£
Core					
Big Lottery Fund, European Social Fund, Building Better Opportunities	33,201	-	9,650	-	23,551
PSA Peugeot Citroen (in Kind)	-	66,714	66,714	-	-
	33,201	66,714	76,364	-	23,551

15. Restricted Funds (continued)

	31 March 2022	Income	Expenditure	Transfers	31 March 2023
Distributable grants	£	£	£	£	£
29th May 1961 Charitable Trust	8,429	28,000	18,950	-	17,479
Alan Edward Higgs Charity	12,916	-	12,293	9,217	9,840
Annie Bettman Fund	5,272	-	-	1,502	6,774
AXA	2,646	-	2,645	2,165	2,166
Band Hatton Button	2,311	-	-	(2,311)	-
Birmingham Funds	81,797	-	43,895	53,679	91,581
Birmingham Mail Charity Fund	3,492	-	2,444	521	1,569
Birmingham Sports	15,948		7,765	-	8,183
BRC Grant Fund	-	12,186	12,186	-	-
Building stronger Britain together (BSBT)	(2)	-	-	-	(2)
Building better lives	564,385	-	-	(453,631)	110,754
Community Energy Warwickshire	19,171	7,047	20,925	-	5,293
Coronavirus Resilience Fund	2,961	-	1,611	(1,350)	-
Cost of Living Fund	-	697	-	(697)	-
Coventry Building Society	69,289	81,892	69,119		82,062
Coventry City of Culture Fund	7,546	25,000	7,895	12,618	37,269
Coventry Nursing Trust	2,063	-	2,063	4,472	4,472
Coventry Warm Space	-	100,000	47,067	-	52,933
DCMS Fund	-	60,588	43,834	-	16,754
Deutsche Bank	35,057	-	14,416	644.00	21,285
Drayton Manor Park	16,343	-	2,000	-	14,343
Dulverton Trust	-	99,299	91,628		7,671
Esme Fairbairn Foundation	62,573	-	8,420	-	54,153
GB Partnership	1	-	-	-	1
Get Ready Fund	2,296	-	-	(2,296)	-
Graham Griffiths Fund	104,170	45,000	108,560	-	40,610
Harrison Beale & Owen	10,895	-	10,895	-	-
Harry Payne Fund	26,206	-	112,239	101,510	15,477
Harry Weston Fund	1,044	-	-	1,127	2,171
Heart of England co-operative Society	25,168	50,000	24,725	-	50,443
Heart of England Fund	58,481	-	46,383	81,682	93,780
High Sheriff's Fund	35,866	2,325	20,000	(11,273)	6,918
JLR Solihul Employees Charity Fund	41,861	321	11,214	-	30,968
James Kenning	-	-	-	-	-
John Taylor		2,860	-	-	2,860
Jumping Through Hoops	15,245	-	-	14,974	30,219
Kingscliffe Fund	835	-	-	(835)	-
Know Your Neighbourhood	-	135,333	135,000	-	333
Sub total carried Forward	1,234,265	650,548	878,172	(188,282)	818,359

15. Restricted Funds (Continued)

	31 March 2022	Income	Expenditure	Transfers	31 March 2023
Distributable grants	£	£	£	£	£
Sub Total Brought Forward	1,234,265	650,548	878,172	(188,282)	818,359
Leamington	6,774	2,767	5,301	-	4,240
Longleigh	19,084	-	-	-	19,084
Love my Keresley Community	18,200	-	-	-	18,200
M and G Fund	-	13,011	13,011	-	-
Mayflex UK Fund	8,000	9,200	8,000	-	9,200
Mike Holland Trust	2,848	-	2,800	3,019	3,067
NNS Birmingham City Council	29,058	388,310	277,902	-	139,466
NNS Food Bank	100,000	-	100,000	-	-
NNS Track & Trace	50,000	-	3,400	-	46,600
Orbit Heart of England Fund	119,980	234,281	240,559	1,607	115,309
Positive Futures	5,640	90,000	42,345	-	53,295
Pedimore fund	26,485	27,000	9,300	-	44,185
PSA Peugeot Citroen	10,830	-	10,829	2,904	2,905
Recom Fund	-	-	5,000	25,000	20,000
Road to 21	5,321	-	(5,000)	(10,321)	-
Sandwell Community Fund	26,095	-	-	7,188	33,283
SEGRO	422	-	-	-	422
Solihull Community Foundation	5,565	-	5,565	3,909.00	3,909
Solihull Celebrating Communities	83,821	-	80,559	-	3,262
Solihull Resilience Fund		50,600	50,600	-	-
Solihull Winter Welbeing	108,349	-	108,281	-	68
Stellantis Employee Fund	17,919	-	5,750	-	12,169
Tipton Education Fund	51,398	10,800	16,000	-	46,198
The David East Fund	59,720	-	50,145	-	9,575
The Freemasons Fund	-	45,000	45,000	-	-
Torrington House	19,262	-	4,009	2,075	17,328
Vital Ev Solutions	-	4,500	-	-	4,500
Warwickshire Country Council	-	343,748	343,748	-	-
Wesleyan fund	37,829	839,200	438,504	-	438,525
Women and Girls	15	-		(15)	-
Youell family fund	65,894	-	65,452	29,490	29,932
Young at Heart	531,120	-	53,038	(253,188)	224,894
	2,643,894	**2,708,965**	**2,858,270**	**(376,614)**	**2,117,975**

16. Designated Funds

	31 March 2022	Income	Expenses	Gains/ (losses)	Transfers	31 March 2023
	£	£	£	£	£	£
Arts Council	7,939	-	-	-	(7,939)	-
Building Better Lives	110,833	-	-	-	(110,833)	-
BBO Provision	120,463	-	-	-	-	120,463
Birmigham City Council	12,620	-	-	-	(9,970)	2,650
Cadbury Fund	6,250	-	-	-	(6,250)	-
Community Energy	-	-	-	-	698	698
Coventry Building Society	7,000	-	-	-	1,190	8,190
City of Culture	9,000	-	-	-	(9,000)	-
Heart of England Fund	242,401	-	8,000	-	62,390	296,791
David East Fund	5,000	-	-	-	(5,000)	-
Esme Fairbairn Fund	6,250	-	-	-	(6,250)	-
IM Development	-	-	-	-	13,000	13,000
Jaguar Fund	4,944	-	-	-	(4,944)	-
Made by Sport	-	-	-	-	-	-
Mayflex Fund	800	-	-	-	-	800
Orbit	8,445	-	-	-	(300)	8,145
Pandemic Recovery Fund	-	-	-	-	-	-
South Birmingham Friends	-	68,918	30,098	-	-	38,820
Solihull Fund	14,281	-	-	-	(14,281)	-
Warwickshire County Council	27,096	-	-	-	(26,596)	500
Wesleyan	-	-	-	-	30,400	30,400
Youell Family Fund	737,805	-	4,614	(28,640)	-	704,551
	1,321,127	68,918	42,712	(28,640)	(93,685)	1,225,008

The Youell Family Fund is a Legacy from the late Alfred Youell MBE. Building Better Lives fund is a capital grants programme. The BBO Provision fund represents an amount set aside to cover any clawback from the BBO programme in the future.

The Cadbury fund, Coventry Building Society, Arts Council, City of Culture David East fund, Esme Fairbairn Fund, Jaguar Fund, Mayflex Fund, Orbit Fund, Solihull Fund, Warwickshire County Council and Wesleyan represent amounts set aside for the running of the grant funds in future years.

The Heart of England Fund is a fund set up by the Trustees that can be used for immediate need in the community that the Charity could support.

17. Analysis of fund balances between the net assets

	General Funds £	Designated Funds £	Restricted Funds £	Endowment funds £	Total funds 2023 £
Tangible Fixed Assets	1,545			1,185,000	1,186,545
Investments	340,524	704,551		18,185,103	19,230,178
Bank and Cash Balances	407,540	541,007	2,101,216	95,371	3,145,134
Debtors	75,425	642	456,301		532,368
Creditors	(74,638)	(21,192)	(415,990)		(511,820)
	750,396	1,225,008	2,141,527	19,465,474	23,582,405

18 . Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for year	2,115,049	1,162,589
Dividend received	(371,235)	(339,971)
Rents received from investment properties	(90,277)	(88,668)
Interest receivable	(55,811)	(5,073)
Depreciation and impairment of tangible fixed assets	1,505	4,245
(Gains)/Losses on investments	997,675	(921,975)
Receipt of endowment	(2,924,204)	(116,618)
(Increase)/decrease in debtors	(309,102)	(42,448)
Increase /(decrease) in creditors	(746,969)	657,228
Net cash flow from operating activities	(1,383,369)	309,309

Analysis of Net Debt

	1/4/2022	Cashflow	31/3/2023
Cash and cash equivalents	£5,779,780	£ (2,471,883)	£3,307,897

19. Control Relationships

The Board of Trustees is ultimately responsible for the control of the Charitable Foundation.

20. Taxation

The Foundation is a registered charity and its activities are such that no liability to Corporation tax arises on its results for the year.

21. Members' guarantee

Every member has agreed that, if the charity is dissolved, while he or she remains a member or within twelve months afterwards, to contribute up to £10 towards the cost of dissolution and the liabilities of the charity.

22. Pensions and Post Retirement Benefits

a) Defined contribution pension plans –

The charity contributes to the money purchase pension plan for certain of its employees. The amount recognised as an expense in the period was £11,043 (2022: £11,529).

23. Financial instruments

The carrying value of the charity's Financial instruments

	2023 £	2022 £
Financial Assets		
Measured at fair value through net income/expenditure:		
Fixed asset investments (note 11)	17,485,415	15,716,627
Measured at amortised cost:		
Barn rent receivable (note 12)	25,043	24,890

The income, expenditure, net gains and net losses attributable to the charity 's financial instruments are as follows:

	2023 £	2022 £
Net gains and losses		
Financial assets measured at fair value through net income/expenditure	(997,675)	921,975

24. Operating Leases – Lessor

Total future minimum lease payments collectable under non-cancellable operating leases:

	2023	2022
	£	£
Within one year	63,200	87,700
1-5 years	8,661	15,886
Total	**71,861**	**103,586**

The Foundation lets the large and small Youell Barns, the small barn lease was renewed during 2019-20 and ends in February 2025. The large barn lease was updated in 2022 and ends in February 2024.

HEART OF ENGLAND COMMUNITY FOUNDATION

England & Wales - Charity number 1117345

Accounts

heart of england
COMMUNITY FOUNDATION

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

REGISTERED CHARITY NO. 1117345
COMPANY REGISTERED NO. 5999452

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

CONTENTS

Trustees and Staff	3
Professional Advisors	4
Trustees' Report *(including Directors Report and Strategic Report)*	5 – 15
Auditors' Report	16 – 20
Statement of financial activities *(including Income and Expenditure Account)*	21 - 22
Balance sheet	23
Statement of Cash flow	24
Notes	25 - 44

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee, no. 5999452)
YEAR ENDED 31 MARCH 2022

TRUSTEES AND STAFF

Registered Office: Stellantis
Pinley House, Sunbeam Way
Coventry CV3 1ND

Corporate Patron: Stellantis
Patron: Mrs Sally Carrick (Appointed 10th June 2021)

Presidents: Tim Cox, the Lord Lieutenant of Warwickshire
Rt Reverend Dr Christopher Cocksworth, the Bishop of Coventry
Rt Reverend David Urquhart, the Bishop of Birmingham
John Crabtree OBE, the Lord Lieutenant of the West Midlands

Trustees:	
Mr Phil Ewing	Chair – retired 21st Oct 2021, Retired as Trustee 9th June 22
Ms. Michelle Vincent	Treasurer
Mr Paul Belfield	
Mrs Sally Carrick	Retired 10th June 2021
Mr. Amrik Bhabra MBE	
Ms. Lucie Byron	
Mr John Taylor	Deceased 25th May 22
Mr Christopher West	Chair - Appointed 21st Oct 21
Ms Jude Jennison	
Mr Daniel Worthing	
Mr Naeem Alvi-Assinder	Retired 21st Oct 21
Mr Russell Bailey	
Mr Calum Nisbet	
Ms Jasmin Koasha	
Ms Alethea Fuller	Appointed 10th June 21
Ms Cleo Morris	Appointed 10th June 21

Staff:		
	Tina Costello	Chief Executive Officer
	Helen Kendrick*	Senior Manager Operations
	Shamiela Ahmed	Senior Manager Grants
	Claire Evans*	Senior Manager Finance
	Katie Bywater	Marketing & Communications Officer
	Jenny Whateley	Grants Officer
	Lou Beddoe*	Grants Officer
	Sarah Lafford*	Grants Officer
	Freya Crichton	Grants Officer
	Zoe Brown	Executive Officer
	Paramjit Kaur	Finance officer

**Part-Time*

PROFESSIONAL ADVISORS

Auditors:

Dafferns LLP
One Eastwood, Harry Weston Road
Binley Business Park
Coventry, West Midlands
CV3 2UB

Investment Managers:

Quilter Cheviot
Three Temple Quay
Temple Way
Bristol
BS1 6DZ

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Rathbones
Temple Point
1 Temple Row
Birmingham
B2 5LG

Bankers:

CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling, Kent
ME19 4JQ

Santander Bank
Bootle
Merseyside
L30 4GB

Solicitors:

Wright Hassall LLP
Olympus Avenue
Leamington Spa
Warwickshire

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2022
TRUSTEES' REPORT including DIRECTOR'S REPORT

The Trustees have pleasure in presenting their annual report along with the financial statements of the charity for the year ending 31 March 2022.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland as amended for accounting periods commencing on or after 1 January 2019 and the Companies Act 2006.

1. Structure, Governance and Management

1.1 Objects and Activities

The objects of the Community Foundation are defined in its Memorandum and Articles of Association. The Community Foundation manages a diverse portfolio of grant programmes working with a range of donors to provide charitable and philanthropic services across the geographical areas of Birmingham, Black Country, Coventry, Solihull, and Warwickshire. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the current aims and objectives and in planning future strategies and setting grant making policies.

Our activities are determined by our charitable objectives:

- The promotion of any charitable purposes for the benefit of communities within the County of West Midlands and Warwickshire, United Kingdom and the advancement of education, the protection of good health and the relief of poverty and sickness
- Any other exclusively charitable purposes, which are, in the opinion of the trustees, beneficial to the community in benefit.

The Foundation exists to support the local voluntary and community sector across the West Midlands. We work with a range of donors to offer bespoke and philanthropic charitable services. We aim to inspire and encourage local giving, supporting those smaller organisations working at the heart of our local communities.

The Foundation primarily supports not for profit organisations with grants which make an impact at a local level. We endeavour to have a balanced portfolio of grant programmes which enables us to fund a wide cross section of organisations supporting those most in need.

1.1 Objects and activities (continued)

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by the Heart of England Community Foundation and in planning future activities. The benefits of our activities are described in this Annual Report and relate directly to our aims and objectives.

1.2 Board Appointments

At each AGM, one third of the trustees must retire, those longest in office retiring first. The Board of Trustees meet on a quarterly basis.

Our AGM was held on 21st October 2021, in which Naeem Alvi retired from the board and Phil Ewing stood down as Chair.

Chris West was voted in as Chair and we welcome his experience and knowledge of the public sector and very much look forward to Chris continuing to direct and lead our strategy and growth.

Phil Ewing retired from the board in June 2022, Phil was a committed, driven member of our board who played an active role during his 10-year tenure. Phil will be greatly missed by his fellow trustees and the staff team.

Although retired from our board, Sally Carrick is now our patron, Sally served on the board for over 20 years, so we are delighted she has accepted her well-deserved patronage.

It is with huge sadness to the Foundation that our longest serving Trustee John Taylor passed away after a brave battle with illness in May 2022. John was integral in supporting our growth, developing forward thinking strategies and always supportive of both the board and the staff team, he will be sadly missed.

The names of the Trustees who have served throughout the financial year and to the date of this report are shown on page 3. All Trustees have a full induction and are regularly updated on the operational running of the Foundation.

Annually the Trustees complete a skills matrix and self-evaluation which enables the charity to review the skills and experience and identify any potential gaps and an opportunity for individual Trustees to evaluate their own input into the work of the foundation.

We identified geographical gaps and representation from the diversity of our region, following an open recruitment drive we are extremely proud that our board is now balanced in terms of age, gender, geography, and diversity.

1.3 Board Subcommittees

The Foundation has four main sub-committees:

Finance and Investment Committee, responsible for:

- Budgets and overseeing investment performance.
- Quarterly investment returns and endowment performance.
- Comparison of Investment Managers
- Maximisation of interest rate returns
- Reviewing investment strategy
- Annual meetings with all 3 Investment Managers
- Reviewing asset class investments
- Considering appropriate avenue for unrestricted core income
- Reviewing quarterly management accounts
- Analysing forecast against actual performance
- Monitoring and review finance resources

Management Committee, responsible for:

- Management of governance and operational risks
- Approval of new and revisions to policies and procedures
- Maintaining oversight of the risk register
- Maintaining oversight of the charity's operations
- Oversight and monitoring of operational projects and programmes
- Maintaining oversight of operational decision making on HR changes include-disciplinaries, performance management and recruitment.
- Approval of formal HR changes such as staffing re-structures.
- Approval of pay awards as the charity's remuneration committee.
- Approval of recommendations for new tenders/contracts and grant programmes in line with the delegation of authority policy.

Grant Sub-Committees, responsible for:

- responsible for decision making on non-donor-directed funds across all of our areas of benefit including:
- Strategic overview of grant making to ensure equitable and fair distribution of funds.
- Profiling annual grant budgets.
- Review of impact of grants awarded.

We have two independent decision-making committees, the Coventry, Solihull and Warwickshire Panel and the Birmingham and Black Country Panel. Both panels have representation from key stakeholders, community activists, and chaired by a Foundation Trustee.

1.3 Board Subcommittees (continued)

Throughout the global pandemic, we adapted the way we worked to ensure communities could access vital funds quickly and efficiently. However, making weekly awards was not a sustainable model but learning from the pandemic we are committed to reducing turnaround times on applications and simplifying the application process for applicants.

The Trustees would like to thank our fantastic volunteers who give their valuable time and commitment to support our decision making.

1.4 Business Planning

In 2020, we refreshed our vision and mission, together with our Senior Management Team we set our strategy and operational plan for the next 3 years.

The Foundation understands that societal needs are ever changing, so its vitally important we continually sense check and ensure we are fit for purpose for the communities we serve.

Our over-arching strategic aims are:

- Deliver accessible, inclusive, and flexible funding.
- Maintain strong relationships with our donors to ensure we retain their investment to improve lives in the region.
- Continually seek to attract new donors to increase our social investment within the West Midlands and Warwickshire
- To be an equitable, diverse, and inclusive funder
- Strengthen our existing finance, governance, and leadership to ensure donor trust and confidence in the charity's sustainability and longevity.

We set ourselves some clear ambitions in 2021-22, including:

- Improving our customer journey
- Externally evaluating our work
- Pass Quality Accreditation 5

Improving our customer journey - we manage a range of grant programmes and often an organisation may wish to apply to more than one fund. This takes time in terms of multiple form filling, uploading policies for each submission which is time consuming for voluntary organisations.

We introduced our 'single front door' in late 2021, this enables organisations to apply for the funding they need and the foundation 'matches' it with potential donors. This was an extensive piece of work with associated costs but demonstrates our commitment to deliver accessible funding. We are gradually transferring our programmes to the single front door,

1.4 Business Planning (continued)

but we are unable to do this for all programmes due to some of the complexity and priorities of specific funds.

Externally evaluating our work - we commissioned Forever Consulting to prepare a place-based analysis of the West Midlands and Warwickshire communities and to evaluate the impact of the last three years of grant making within the context of this. We excluded the pandemic year as this would not have truly reflected our grant making due to the unprecedented amount of funding, we distributed on behalf of the National Emergencies Trust and Department for Culture, Media and Sport.

Our objective was to better understand the communities we serve; use this intelligence to shape and prioritise our work; and to support informed conversations with communities, donors, funders, and other partners. The decision to take a place-based approach rather than an issue-based approach was intentional; recognising communities exist in places; allowing an holistic approach to regarding any given place; and recognising that each place and its resident communities are unique.

Our priority was to create a narrative about our places rooted in evidence, but telling the stories of our communities, highlighting the areas where we can support change. We also wanted to reflect the positive features of our places, so we embedded an asset and strengths-based approach to understand the communities, the opportunities, and their needs.

The report has enabled us to set clear priorities on the funds we manage and identify gaps in reach and communities of interest.

The executive summary is available on our website but some key headlines:

- For every £1 a donor gives, we redistribute 93p back into our communities
- 52% of our funds were invested in the 20% most disadvantaged areas across our region
- Our communities told us they wanted opportunities to strengthen positive connections with communities, activities which bring communities together and opportunities to connect with nature and the outdoors
- Two-thirds of our funding have supported projects which address Stronger Communities, Health and Well-being, Employment and Training and Arts, Culture and Heritage
- We have awarded £9.6m to support 2108 projects

The foundation now has the tools to undertake an impact report each year which will support our priorities for the following year and provide an evidence base for both new and existing donors.

1.4 Business Planning (continued)

The report has also identified untapped wealth across Warwickshire and Solihull which will be a focus for fund development for the Foundation this year.

Quality Accreditation 5 - as part of the UKCF network, quality accreditation is undertaken every 3 years. It is a complex, evidenced based process but provides an excellent opportunity to sound check the way we work, our governance, policies, procedures, board, and future planning.

As a foundation, we were delighted not just to pass but receive a number of 'exemplary' scores against our 3-year financial pipeline, our published strategy, operational and business planning, and our board composition in terms of age, gender and diversity.

1.5 Risk Management

The principal identified risks to which the Foundation are exposed are integrated into the business plan to ensure they are regularly reviewed. The Foundation also maintains a risk register which is reviewed on a quarterly basis by the Management Committee.

As part of QA5 and in light of the pandemic, we have reviewed and amended our risk register accordingly, the risks are predominantly the same but in particular loss of income and loss of tenants in our commercially rented barns have been rated higher.

1.6 Pay Policy for Senior Staff

The Trustees consider the senior management team to comprise the key personnel of the Charity in charge of directing, running, and operating the Charity on a day-to-day basis. The pay of senior staff is reviewed annually by the Management Committee and is based on performance and average earnings across the sector.

1.7 Fundraising Regulator Statement of Compliance

Heart of England Community Foundation does not contract to a third party to undertake any fundraising on its behalf. The charity does employ a Marketing Manager who initiates campaigns and supports fundraising activities. We have received no fundraising complaints during the year.

The charity only makes fundraising approaches to contacts who have given explicit consent to receive such campaign documentation under GDPR guidelines.

2. Achievements and Financial Performance for 2021-22.

We feel incredibly fortunate that post pandemic we have continued to secure new donors who want to invest in our communities at a local level.

This year we secured two new partnerships with individual donors who live in our region and want to support a range of community activity. We would like to thank Mr David East and Mr Graham Griffiths for choosing to work with us to support their local giving.

We have also been successful in developing relationships with both Warwickshire County Council and West Midlands Combined Authority.

We delivered a £1 million Social Impact Capital Programme in partnership with Warwickshire County Council (WCC). The timescales were tight so WCC commissioned the Foundation to deliver the programme on their behalf, as we have the systems in place and an exceptional knowledge of the voluntary and community sector across Warwickshire.

We were successful in tendering to work in partnership with West Midlands Combined Authority (WMCA), supporting them to deliver Community Green Grants aimed at the voluntary and community sector across the whole of the West Midlands Combined Authority area. In our own evaluation, communities want more green spaces, more funding to support environmental projects so we are delighted to be working in partnership with WMCA which addresses environmental impacts, biodiversity and creating green spaces in urban areas.

We have also developed new partnerships with Jaguar Land Rover Limited, managing their employee giving schemes at two major plants in the West Midlands. We support their employees by highlighting great community projects within a 10mile radius of both sites.

Solihull Metropolitan Borough Council have continued to work in partnership with us, increasing their investment on the wellbeing fund but also partnering with us to deliver a programme that celebrates the Commonwealth Games.

We have been successfully delivering a Neighbourhood Network Scheme grant programme on behalf of Birmingham City Council over the last two years. Focusing on two specific constituencies, the aim of the programme is to reduce the adult social care bill and support the alleviation of loneliness and isolation. We work in collaboration with a number of local assets this year we submitted a tender to continue and have been successful with a five-year programme.

Sustainability can be difficult for a charity who independently raises its own income, therefore, securing a programme for five years offers the foundation some financial stability for a considerable period of time, our thanks to Birmingham City Council.

We have also partnered with Mayflex UK Ltd to target their giving to specific areas of Birmingham, we hope this partnership flourishes over time.

2. Achievements and Financial Performance for 2021-22. (continued)

Although Coventry City of Culture has now ended, we hope to be part of the legacy and are in active discussions with the City of Culture Trust.

Key Performance Measures

We are delivering on our 3-year strategy and operational plans, quarterly progress reports are discussed at Management Committee and reported on at Full Trustee Board.

Human Resources

The Foundation continues to grow steadily so we must ensure we have the resource to deliver exceptional services on behalf of our donors. We have recruited an additional two grants' officers on a full and part time basis.

Incoming Resources

The Foundation's total incoming resources for 2021-22 were £4,190,592 and the overall funds of the foundation increased by £1,162,589 to £21,467,356.

Endowed Donations

We continue to work with a Birmingham based charity who are transferring their assets to us this year. The charity is aligned with the values and mission of the Foundation, and we look forward to working with the Trustees on developing their new fund within our portfolio.

Setting up a charitable foundation or legacy can be complex, bureaucratic, and expensive but working with the foundation makes the process significantly simpler.

Our fund development focus is on endowment growth this year and we are planning several events to raise our profile and highlight the philanthropic services we can offer to potential donors.

Investments

The Foundation's investment policy, updated and reviewed every three years, is for a balanced portfolio which produces reasonable income for grant making whilst growing the value of the assets to protect them against the effects of inflation or other defining factors in the longer term. This is considered a relatively low risk approach.

Our stock market investments are managed by Quilter Cheviot, CCLA and Rathbones. Performance is bench marked against the FTSE APCIMS (Association of Private Client Investment Managers) Index.

2. Achievements and Financial Performance for 2021-22. (continued)

Investment performance over the 12-month period ending 31st March 2022 was materially impacted by equity market volatility linked to the COVID-19 pandemic. Prior to the aggressive sell-off we saw in February and March 2020 global capital markets had been broadly positive, recovering the losses made.

Grants

The total grant income for 2021-22 was £3,185,441 which was a decrease of £2,912,630 from the previous fiscal year. Our total grant expenditure was £3,255,917 and a full report on the foundation's discretionary grant making will be available on our website.

Restricted Core Income

Restricted core income in 2021-22 was £59,305 compared to £223,602 in the previous fiscal year. This decrease is due to the completion of our grant programme from National Lottery Communities Fund, European Social Fund, Building Better Opportunities.

Unrestricted Core Income

Our unrestricted core income this year is derived from several sources, our investments, general donations, and our commercially rented properties. The delivery of programmes on behalf of donors such as Wesleyan Assurance, Coventry Building Society, West Midlands Combined Authority and Birmingham City Council supports our operating costs.

The balance of our unrestricted income is, at present, used to meet core expenditure which is not covered by restricted income. Unrestricted income for 2021-22 was £447,222 compared with £482,752 in the previous fiscal year.

We are eternally grateful to all of the donors who choose to work with us but a huge thank you to 29th May 1961 Charitable Trust for their annual unrestricted donation.

Considering the concerns post pandemic, we are proud that the Foundation has secured new donors, continues to work with our existing donors who share our passion for the communities we serve.

Expenditure

The Foundation made an operating gain on unrestricted general funds of £3,256 which compares with a budgeted loss for the year of £103,717 and an operating loss in the previous year of £143,770.

Designated Funds

Our designated funds as of 31st March 2022 totalled £1,321,127. These include the current value of £737,805 from the Youell Legacy plus funds of £583,322 for the delivery of grant programmes in 2022-2023, which are not regarded as free reserves by the Trustees.

3. Reserves Policy

A considerable part of the Foundation's income is derived from unrestricted core donations of which there is no certainty and management fees for the delivery of flow through grant programmes which are usually time bound. The Trustees believe it to be necessary to retain sufficient free reserves to maintain the Foundation operationally between the times such schemes end, and new programmes come on board. New funding streams are often subject to competitive tendering and cannot be relied upon with certainty. Free reserves must also be retained to cover statutory obligations to our staff should that prove necessary.

It is therefore the policy of the Foundation to maintain, always, free reserves of no less than the equivalent of six months core (support and governance) costs. At the 31 March 2022, total reserves were £21,467,356 of which endowed funds were £16,857,974 and restricted funds were £2,677,095. Of the remaining unrestricted funds totalling £1,932,287, £1,321,127 has been designated by Trustees. The actual free reserves at the end of the fiscal year equate to £611,160. However, £273,252 of these free reserves represent non-liquid fixed assets. The balance of £337,908 is 7.7 months of budgeted core costs for 2022-23.

4. Trustees' Responsibilities Statement for Charitable Companies

The Trustees (who are also Directors of the Heart of England Community Foundation for the purposes of company law) are responsible for the preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare Financial Statements for each fiscal year, which give a true and fair view of the of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

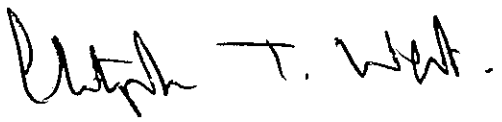
4. Trustees' Responsibilities Statement for Charitable Companies (continued)

In so far as the Trustees are aware:

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

5. Auditors

A resolution to re-appoint Dafferns LLP as the Charity's auditor will be proposed at the forthcoming Annual General Meeting. The report of the Trustees has been prepared taking advantage of the small companies' exemption in the Companies Act 2006. This report was approved by the Board of Trustees and authorised for issue on 5th October 2022 and is signed on its behalf by:



Chris West
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEART OF ENGLAND COMMUNITY FOUNDATION (A company limited by guarantee)

Opinion

We have audited the financial statements of The Heart of England Community Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

[continued ...]

Other information

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

[continued ...]

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 14 & 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

[continued ...]

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation, (i.e. gives a true and fair view)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[continued ...]

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

Use of our report

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

Signed:.....

Geoffrey Cox BA FCA (Senior Statutory Auditor)

For and on behalf of Dafferns LLP,

Chartered Accountants, Registered Auditors

One Eastwood, Harry Weston Road

Binley Business Park, Coventry, CV3 2UB

Date 5 October 2022

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted		Restricted Funds			
		General Funds	Designated Funds	Core Costs	Distributable Grants	Endowment Funds	2022
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	351,266	42,035	59,170	3,185,441	116,618	3,754,530
Rental Income		88,668	0	0	0	0	88,668
Investment Income		0	0	0	0	339,971	339,971
Bank Interest		4,938	0	135	0	0	5,073
Other Income		2,350	0	0	0	0	2,350
Total Income and Endowments		447,222	42,035	59,305	3,185,441	456,589	4,190,592
Expenditure							
Raising Funds	3	40,825	0	0	0	0	40,825
Investment Management Costs		0	4,532	0	0	54,871	59,403
Charitable Activities - Grants	4	0	57,599	0	3,255,917	0	3,313,516
Charitable Activities - Support costs	5	466,588	0	58,971	115	0	525,674
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		0	0	0	0	0	0
Governance	8	10,560	0	0	0	0	10,560
Total Expenditure		517,973	62,131	58,971	3,256,032	54,871	3,949,978
Net Gain/(loss) on investment assets	11	0	59,911	0	0	862,064	921,975
Net Income/(expenditure)		(70,751)	39,815	334	(70,591)	1,263,782	1,162,589
Transfers between funds	9	74,007	(4,015)	0	260,648	(330,640)	0
Net Movement in Funds		3,256	35,800	334	190,057	933,142	1,162,589
Funds at 31 March 2021		607,904	1,285,327	32,867	2,453,837	15,924,832	20,304,767
Funds at 31 March 2022		611,160	1,321,127	33,201	2,643,894	16,857,974	21,467,356

Note: For Companies Act purposes the surplus for the year (excluding the net movement of Endowment Funds) was £229,447 (2021 deficit for the year was : £2,309,726). There were no discontinued activities during the year. The Statement of Financial Activities includes all gains and losses recognised during the year. Prior year comparatives are shown on page 22, please continue overleaf.

HEART OF ENGLAND COMMUNITY FOUNDATION

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds		Restricted Funds			
		General Funds	Designated Funds	Core costs	Distributable grants	Endowment Funds	Total 2021
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	375,259	65,355	223,008	6,098,071	244,140	7,005,833
Rental Income		85,183	0	0	0	0	85,183
Investment Income		0	0	0	0	300,993	300,993
Bank Interest		7,226	0	594	0	0	7,820
Other income		15,084	5,213	0	0	0	20,297
Total Income and Endowments		482,752	70,568	223,602	6,098,071	545,133	7,420,126
Expenditure							
Raising Funds	3	62,276	0	0	0	0	62,276
Investment Management Costs		0	4,420	0	0	50,546	54,966
Charitable Activities - Grants	4	0	0	0	8,067,313	0	8,067,313
Charitable Activities - Support costs		443,377	0	192,713	11,196	0	647,286
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		0	0	0	353,820	0	353,820
Governance	8	11,040	0	0	0	0	11,040
Total Expenditure		516,693	4,420	192,713	8,432,329	50,546	9,196,701
Net Gain/(loss) on investment assets	11	0	135,498	0	0	2,577,228	2,712,726
Net Income/(expenditure)		(33,941)	201,646	30,889	(2,334,258)	3,071,815	936,151
Transfers between funds		(109,829)	253,172	(239,545)	(77,860)	174,062	0
Net Movement in Funds		(143,770)	454,818	(208,656)	(2,412,118)	3,245,877	936,151
Funds at 31 March 2020		751,674	830,509	241,523	4,865,955	12,678,955	19,368,616
Funds at 31 March 2021		607,904	1,285,327	32,867	2,453,837	15,924,832	20,304,767

HEART OF ENGLAND COMMUNITY FOUNDATION

(A company limited by guarantee) Company Registration no. 5999452

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31 March 2022		31 March 2021	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	10		1,472		5,717
Investments					
Investment properties	11	1,005,000		1,005,000	
Listed investments	11	15,716,627		14,283,643	
Cash at Investment Managers		388,681		348,414	
			17,110,308		15,637,057
			17,111,780		15,642,774
Current Assets					
Cash at Bank and in hand		5,391,099		5,082,736	
Debtors	12	223,266		180,818	
		5,614,365		5,263,554	
Creditors: amounts falling due within one year	13	1,258,789		601,561	
Net Current Assets			4,355,576		4,661,993
Net Assets			21,467,356		20,304,767
Funds of the Charity					
Capital Funds					
Endowment Funds	14		16,857,974		15,924,832
Income Funds					
Restricted Funds	15		2,677,095		2,486,704
Unrestricted Funds (Designated)	16	1,321,127		1,285,327	
Unrestricted Funds (General)		611,160		607,904	
Total unrestricted Funds			1,932,287		1,893,231
Total Funds			21,467,356		20,304,767

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the trustees and authorised for issue on 5th October 2022 and are signed on their behalf by

Chris West - Chairman

Michelle Vincent- Trustee

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
Cashflow from operating activities	18	309,309	(2,009,156)
Net cash flow from operating activities		309,309	(2,009,156)
Cash flow from investing activities			
Payments to acquire investments	11	(2,392,437)	(2,142,406)
Receipts from sales of investments	11	1,881,428	1,719,515
Interest received		5,073	7,820
Dividends received		339,971	300,993
Rents received from investment properties		88,668	85,183
Net cash flow from investing activities		(77,297)	(28,895)
Cash flow from financing activities			
Receipt of permanent endowments		116,618	193,594
Net cash flows from financing activities		116,618	193,594
Net increase/(decrease) in cash and cash equivalents		348,630	(1,844,457)
Cash and cash equivalents at 1 April 2021		5,431,150	7,275,607
Cash and cash equivalents at 31 March 2022		5,779,780	5,431,150
Cash and cash equivalents consist of:			
Cash at bank and in hand		5,391,099	5,082,736
Short term deposits		388,681	348,414
Cash and cash equivalents at 31 March 2022		5,779,780	5,431,150

1. Accounting policies

Basis of preparation

Heart of England Community Foundation is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to act as a conduit for philanthropy, linking private and public funders with small community projects across the county of West Midlands.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods commencing on or after 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and after performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Reports.

For legacies entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

1. Accounting policies (continued)

Incoming Resources (continued)

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and irrecoverable VAT
Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of overhead and support costs
Overhead and support costs have been allocated between charitable activity and governance costs. Overhead and support costs relating to charitable activities have been apportioned on a basis consistent with the use of resources.

Charitable activities
Costs of charitable activities include grants made and support costs as shown in note 5.

Governance costs
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support cost allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Fundraising Costs
Fund-raising costs are those which are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

The analysis of these costs is included in note 3.

1. Accounting policies (continued)

Endowment funds

These funds include expendable endowments which arose from grants and donations given specifically to be held as capital unless the trustees resolve they may be spent. It is the intention of the trustees that these funds be maintained for the foreseeable future. Grants are funded from the income generated from the capital investments. There can be an initial period of income accumulation in accordance with the donor's wishes.

Restricted funds

These funds are received for specific purposes set by the grant funders or donors. These include funds received to enable grants to be paid to beneficiaries and meet the cost of projects and, in addition, funds received towards the Foundation's operating costs in managing those grants and projects.

Designated funds

These funds are unrestricted funds set aside by the trustees for specific purposes.

Investments

Investments in listed securities and properties are shown on the balance sheet at their open market value. Profits and losses on sales of investments and the movements in market value are taken to the Statement of Financial Activities. Property in course of construction is valued at cost.

Fixed assets and depreciation

No depreciation is provided against the cost of land. Operational assets costing less than £1,000 are written off in full through the Statement of Financial Activities in the year of purchase. Depreciation is provided by the Foundation to write off the cost less the estimated residual value of other operational fixed assets by equal instalments over their useful economic lives as follows:

Office and computer equipment - 4 years

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised in expenditure.

Pension schemes

The charity operates defined contribution pension schemes. Contributions payable in the year are charged in the Statement of Financial Activities.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting policies (continued)

Financial instruments

Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Other financial assets, including investments in equity instruments and which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss.

Financial liabilities
Basic financial liabilities, including trade and other payables, and bank loans that are classified as debt are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Donations and Legacies

Donors contributed to the following restricted funds during the period:

	Core Costs £	Distributable Grants £	Total 2022 £	Total 2021 £
29th May 1961 Charitable Trust	0	16,500	16,500	16,000
Alan Edward Higgs Fund	0	330,787	330,787	10,000
Birmingham Funds	0	0	0	2,250
Birmingham Mail Charity Fund	0	0	0	21,327
Bullring and Grand Central Fund	0	1,800	1,800	20,000
Big Lottery Fund, European Social Fund,Building Better Opportunities	0	0	0	332,584
Community Energy Warwickshire	0	6,918	6,918	5,552
Coronavirus Resilience Fund	0	(40)	(40)	340,332
Coventry 2021 Coronavirus Resillience Fund	0	0	0	60,000
Coventry Building Society	0	70,000	70,000	73,647
Coventry City of Culture Fund	0	90,000	90,000	0
DCS NET fund	0	0	0	1,076,711
Deutsche Bank	0	31,500	31,500	13,500
Edgbaston Emergency Food & Essential Supplies Fund	0	2,860	2,860	70,000
Esme Fairbairn Foundation	0	56,250	56,250	0
GB Partnership	0	0	0	11,160
Graham Griffiths Fund	0	115,000	115,000	0
Harrison Beale & Owen	0	(5)	(5)	250
Heart of England	0	25,000	25,000	0
Helping Hearts	0	50,000	50,000	20,000
High Sheriff of Warwickshire	0	31,009	31,009	600
JLR Solihull Employees Charity Fund	0	56,861	56,861	0
Leamington Fund	0	3,293	3,293	6,374
Made by Sport	0	9,746	9,746	239,835
Mayflex UK Ltd	0	9,200	9,200	0
National Emergency Trust	0	0	0	2,459,317
NET BAME	0	0	0	81,839
NNS Birmingham City Council	0	287,000	287,000	400,000
NNS Food Bank	0	100,000	100,000	0
NNS Track and Trace	0	50,000	50,000	0
Northfield Emergency Assistance Food and Essential Supplies	0	0	0	70,000
Orbit First Year Tenancy	0	49,000	49,000	0
Orbit Hardship fund	0	172,727	172,727	0
PSA Peugeot Citroen	59,170	0	59,170	55,299
Pedimore	0	27,000	27,000	27,000
Positive futures	0	45,000	45,000	45,000
QC Foundation Fund	0	0	0	23,383
Balance Carried forward	**59,170**	**1,637,406**	**1,696,576**	**5,481,960**

2. Donations and Legacies (continued)

	Core Costs	Distributable Grants	Total 2022	Total 2021
	£	£	£	£
balance brought forward	59,170	1,637,406	1,696,576	5,481,960
SEGRO	0	0	0	41,501
Solihul Celebrating Communities	0	121,440	121,440	0
Stellantis Employee Fund	0	21,004	21,004	0
The David East Fund	0	91,840	91,840	0
Tipton Education fund	0	10,800	10,800	10,800
Torrington House fund	0	579	579	0
UKCF Co-op Fund	0	0	0	85,303
Warwickshire County Council	0	1,000,000	1,000,000	0
Wesleyan	0	50	50	494,445
Solihull Winter Wellbeing	0	302,322	302,322	184,070
Love My Keresley Community	0	0	0	23,000
	59,170	**3,185,441**	**3,244,611**	**6,321,079**

Donations in kind

During the financial year PSA Peugeot Citroen (Stellantis) again provided office accommodation and facilities free of charge to the Foundation. The estimated value of these benefits is £59,170 (2021: £55,299) has been reflected in the Statement of Financial Activities as gifts and as support costs within the restricted core cost fund.

3. Fundraising Costs

	Unrestricted	Restricted	Total 2022
	£	£	£
Staff Costs	40,825	0	40,825
	40,825	0	40,825

	Unrestricted	Restricted	Total 2021
	£	£	£
Staff Costs	62,276	0	62,276
	62,276	0	62,276

4. **Grants**

	Total 2022 £	Total 2021 £
Grants awarded	3,313,516	8,067,313

For full details of grants awarded during the year please visit our website to download our 'Grants Making & social Investment Report 2021/22' at www.heartofenglandcf.co.uk

Grants awarded were wholly attributable to restricted funds in both the current and preceding year.

5. Support Costs

Items marked * are based on actual expenses, all others are pro-rated based on salary spread.

	Grants £	Administration £	Fundraising £	2022 £
Staff costs (see note 6)*	153,093	200,697	0	353,790
Recruitment*	544	840	171	1,555
PR and advertising	7,406	11,426	2,328	21,160
Training and conferecnes	173	267	54	494
Subscriptions*	0	9,872	0	9,872
Travel and Subsistance	1,582	2,441	497	4,520
staff welfare	261	403	82	746
Meetings	299	457	94	850
Printing and stationary	360	556	113	1,029
Postage and telephone	2,219	3,424	697	6,340
Office equipment	10,203	15,742	3,207	29,152
Legal costs	343	529	108	980
Professional Fees*	0	24,821	0	24,821
Rent and rates *	0	4,337	0	4,337
Fixed asset depreciaiton	1,486	2,293	467	4,246
Office accommodation and Facilities (see note 2)	20,709	31,952	6,509	59,170
Sundry expense*	0	791	0	791
Insurance	637	984	200	1,821
	199,315	**311,832**	**14,527**	**525,674**

The Support costs are incurred from the following funds

	£
Unrestricted General Fund	466,588
Restricted Core Fund	58,971
Restricted Grant Fund	115
	525,674

6. Staff Numbers and Costs

The average number of persons employed by the Foundation during the period was 11 (2021: 16), the full -time equivalent number of employees was 9.5 (2021: 14.5) and the aggregate payroll costs were as follows:

	Total 2022 £	Total 2021 £
Salaries	333,555	457,594
Redundancy costs	0	1,614
Casual staff costs	20,530	0
Social security costs	29,000	40,363
Other pension costs	11,529	12,839
	394,614	512,410
Support costs (see note 5)	353,789	450,134
Fundraising costs (see note 3)	40,825	62,276
	394,614	512,410

The number of employees earning over £60,000 per year (including benefits) in the period is as follows

	2022 No.	2021 No.
£70,001 - £80,000	1	1

7. Trustees' and key management personnel remuneration and expenses

The charity considers its key management personnel as Tina Costello.

The total amount of employee benefits (including employers NI) received by key management personnel is £81,649 (2021: £81,777).

The Trustees did not receive any remuneration during the year (2021: £nil). No expenses were claimed during the year, (2021: J Koasha claimed £23).

7.1 Third party related transactions

The charity paid £8,444 (2021: £4,843) to Adecs Limited, a company related to Amrik Bhabra, a Trustee, for IT services. The charity paid £476 (2021: £3,081) to Wright Hassall LLP, a company related to Lucie Byron. The charity paid £150 (2021: £0) to Black Country Chamber of Commerce, an organisation related to Calum Nisbet. The charity paid £7,090 (2021: £0) to Mission Diverse CIC, a company related to Cleo Morris.

8. Governance Costs

	Unrestricted	Restricted	Endowment	Total 2022	Total 2021
	£	£	£	£	£
Statutory audit fees	10,560	0	0	10,560	11,040
	10,560	0	0	10,560	11,040

The auditors remuneration amount to an audit fee of £10,320 (2021: £10,800) and other services of £240 (2021: £240).

9. Transfer between funds

	General	Designated	Core costs	Distributable grants	Endowment funds
	£	£	£	£	£
Endowment income	129,992	0	0	200,648	(330,640)
Trustee allocation of unrestricted surplus to grant pots	(70,000)	0	0	70,000	0
Transfer of discretionary fund for running costs	4,015	(4,015)	0	0	0
Transfer of Young at Heart Fund to unrestricted	10,000	0	0	(10,000)	0
	74,007	**(4,015)**	**0**	**260,648**	**(330,640)**

10. Tangible Fixed Assets

	Computer Equipment	Total 2022	Total 2021
	£	£	£
Cost			
1 April 2021	25,893	25,893	25,893
Additions	0	0	0
Disposals	0	0	0
31 March 2022	25,893	25,893	25,893
Depreciation			
1 April 2021	20,176	20,176	15,929
Charge for year	4,245	4,245	4,247
31 March 2022	24,421	24,421	20,176
Net Book value 31 March 2022	1,472	1,472	5,717

11. Fixed Asset Investments

11.1 Listed Investments

	Managed by Quilter	Managed by CCLA	Managed by Rathbones	Total 2022	Total 2021
	£	£	£	£	£
Market value at 1 April 2021	4,119,234	5,422,983	4,741,426	14,283,643	11,148,026
Additions at cost	1,438,941	601,619	351,877	2,392,437	2,142,406
Disposal proceeds	(1,375,718)	0	(505,710)	(1,881,428)	(1,719,515)
Gains/(losses)	44,888	506,132	370,955	921,975	2,712,726
Market value at 31 March 2022	4,227,345	6,530,734	4,958,548	15,716,627	14,283,643
Historical cost	3,788,039	4,744,095	3,878,919	12,411,053	11,784,370
Investments over 5% of portfolio value					
COIF Charities investment fund	0	3,349,399	0	3,349,399	3,081,980
Listed Investments at fair value comprise					
Equities	2,525,194	5,386,053	3,599,257	11,510,504	10,155,939
Securities	1,702,151	1,144,681	1,359,291	4,206,123	4,127,704
	4,227,345	6,530,734	4,958,548	15,716,627	14,283,643

The fair value of listed investments is determined by reference to the mid-market quoted price from F.T. Interactive Data at the balance sheet date.

11.2 Investment properties

	Small Barn	Large Barn	Total 2022	Total 2021
	£	£	£	£
Valuations				
1 April 2021	155,000	850,000	1,005,000	1,005,000
Gains/(losses)	0	0	0	0
31 March 2022	155,000	850,000	1,005,000	1,005,000
Historical cost	90,511	908,650	999,161	999,161

Two barn buildings and the land they stand on were donated to the Foundation for development into office buildings for letting when complete. The original value of the underdeveloped land and properties donated was estimated by the Trustees at £85,000.

Both barns were revalued at 31 March 17 on 23 May 2017 by Peter Holt MRICs and David Holt FRICS of D&P Holt, Chartered Surveyors on the basis of fair value. The Trustees have considered the impact of COVID 19 on the valuation of the investment properties, and whilst not every affect can be anticipated, are satisfied that there is no impairment to the value of the properties at the year end date.

12. Debtors

	Total 2022 £	Total 2021 £
Grants and donations receivable	169,519	129,194
Bank interest receivable	1,151	3,999
Investment income receivable	16,566	20,806
Barn rent receivable	24,890	23,765
Other debtors	9,946	528
	222,072	178,292
Prepayments	1,194	2,526
	223,266	180,818

13. Creditors

	Total 2022 £	Total 2021 £
Trade Creditors	13,248	3,704
Unpaid Grants	1,095,900	333,166
Deferred Income	21,162	20,463
Employee tax and social security	7,437	13,281
VAT	8,770	12,908
Staff Pension scheme contribution	3,529	2,440
	1,150,046	385,962
Accruals	108,743	215,599
	1,258,789	601,561

Deferred income has arisen as a result of rental income being received in advance.

14. Endowment Funds

	31 March 2021	Net incoming/ (outgoing) resource	Investment Gains/(losses)	Transfers	31 March 2022
	£	£	£	£	£
Ambassadors	92,280	(576)	974	0	92,678
Alan Higgs Fund	0	0	22,769	490,000	512,769
Annie Bettman Fund	336,110	(2,097)	3,549	0	337,562
AXA	239,406	(1,494)	2,528	0	240,440
Birmingham fund	356,142	(1,117)	27,730	0	382,755
Birmingham Mail Charity Fund	54,340	(360)	4,106	0	58,086
Coventry Lord Mayor	25,696	(160)	271	0	25,807
Coventry Nursing trust	408,248	(2,354)	6,655	0	412,549
DBOI Grassroots Fund	151,301	(1,001)	11,432	0	161,732
Friends Provident	14,062	(88)	149	0	14,123
Building Better Lives	2,651,498	(17,590)	184,012	0	2,817,920
George & Vera Bryan Grassroots fund	213,504	(1,413)	16,132	0	228,223
Harry Weston Fund	0	58,579	685	400	59,664
Harry Payne Fund	3,417,957	0	310,705	0	3,728,662
Heart of England Fund	516,094	(3,220)	5,450	0	518,324
High Sheriff of Warwickshire	201,959	(214)	14,828	0	216,573
James Kenning	56,593	0	4,884	0	61,477
Jumping Through Hoops	1,180,309	(4,663)	97,811	7,811	1,281,268
Kingscliffe Fund	196,110	(1,224)	2,071	0	196,957
Midlands Heart	127,015	(792)	1,341	0	127,564
Mills & Reeve Grassroots Fund	70,727	(468)	5,344	0	75,603
Mike Holland fund	109,375	0	8,573	50,000	167,948
National Grid	84,169	(525)	889	0	84,533
Orbit Heart of England Fund	184,969	(1,154)	1,953	0	185,768
Property for Kids Grassroots Fund	27,789	(184)	2,100	0	29,705
PSA Peugeot Citroen	416,031	(2,596)	4,393	0	417,828
Rolls Royce	78,144	(488)	825	0	78,481
Sandwell Community Fund	352,535	0	47,300	0	399,835
Solihull Community Foundation	292,893	0	8,402	0	301,295
Torrington House	238,631	(1,486)	2,515	0	239,660
Trustees' New Deal	92,742	0	7,806	2,640	103,188
Warwick Lying -in -trust	45,865	(304)	3,465	0	49,026
Willenhall Community Trust	71,348	0	6,157	0	77,505
Youell Family Fund 1	1,645,792	(8,054)	44,260	0	1,681,998
Youell Family Fund 2	733,220	0	0	0	733,220
Donor Control Accounts	1,241,978	66,121	0	(550,851)	757,248
Investment income/Investment Management costs	0	330,640	0	(330,640)	0
	15,924,832	401,718	862,064	(330,640)	16,857,974

14. Endowment Funds continued

The investment income is allocated, on an annual basis, to unrestricted core funds £129,992 (2021: £92,743) and Grants for distribution £200,648 (2021: £198,195). Endowment funds include unrealised valuation gains of £921,976 (2021: £2,511,562).

The previous table includes the following funds relating to the Community First Programme

	31 March 2021	Net incoming Resources	Investment Gains/(losses)	Transfers	31 March 2022
	£	£	£	£	£
Coventry Nursing trust	30,947	0	2,671	0	33,618
Harry Payne Fund	3,417,957	0	310,704	0	3,728,661
High Sheriff of Warwickshire	167,611	0	14,465	0	182,076
James Kenning	56,593	0	4,884	0	61,477
Solihull Community Foundation	277,358	0	23,937	0	301,295
Trustees' New Deal	89,538	0	10,446	0	99,984
Willenhall Community Trust	71,348	0	7,806	2,640	81,794
Youell Family Fund 1	354,891	0	30,628	0	385,519
	4,466,243	0	405,541	2,640	4,874,424

15. Restricted Funds

	31 March 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
Core					
Big Lottery Fund, European Social Fund, Building Better Opportunities	32,867	135	(199)	0	33,201
PSA Peugeot Citroen (in Kind)	0	59,170	59,170	0	0
	32,867	59,305	58,971	0	33,201

15. Restricted Funds Continued

	31 March 2021	Income	Expenditure	Transfers	31 March 2022
Distributable grants	£	£	£	£	£
29th May 1961 Charitable Trust	4,179	16,500	12,250	0	8,429
ACE lets Create Jubilee	0	330,787	330,787	0	0
Alan Edward Higgs Charity	10,000	0	4,000	6,916	12,916
Annie Bettman Fund	3,842	0	0	1,430	5,272
AXA	8,270	0	7,903	2,279	2,646
Band Hatton Button	2,311	0	0	0	2,311
Birmingham Funds	28,451	0	17,218	70,564	81,797
Birmingham Mail Charity Fund	31,796	0	28,537	233	3,492
Birmingham Sports	16,828	1,800	2,680	0	15,948
Building stronger Britain together (BSBT)	(2)	0	0	0	(2)
Building better lives	63,207	0	11,220	22,780	74,767
Community Energy Warwickshire	16,753	6,918	4,500	0	19,171
Communities uncovered	12,977	0	12,977	0	0
Coronavirus Resilience Fund	112,258	(40)	109,257	0	2,961
Coventry Building Society	75,874	70,000	76,585	0	69,289
Coventry City of Culture Fund	0	90,000	82,454	0	7,546
Coventry Nursing Trust	11,182	0	11,182	2,063	2,063
Deutsche Bank	18,357	31,500	14,800	0	35,057
Drayton Manor Park	17,290	0	947	0	16,343
Edgbaston Emergency Food fund	29,101	2,860	31,961	0	0
Esme Fairbairn Foundation	16,323	56,250	10,000	0	62,573
GB Partnership	3,054	0	3,053	0	1
Get Ready Fund	2,296	0	0	0	2,296
Graham Griffiths Fund	0	115,000	10,830	0	104,170
Building better lives	550,137	0	60,519	0	489,618
Harrison Beale & Owen	10,900	(5)	0	0	10,895
Harry Payne Fund	29,482	0	103,815	100,539	26,206
Harry Weston Fund	0	0	0	1,044	1,044
Heart of England co-operative Society	9,468	50,000	34,300	0	25,168
Heart of England Fund	25,064	25,000	2,000	10,417	58,481
High Sheriff's Fund	5,436	31,009	4,200	3,621	35,866
JLR Solihul Employees Charity Fund	0	56,861	15,000	0	41,861
James Kenning	0	0	2,000	2,000	0
Jumping Through Hoops	6,644	0	823	9,424	15,245
Kingscliffe Fund	3,592	0	3,591	834	835
Sub total carried Forward	1,125,070	884,440	1,009,389	234,144	1,234,265

15. Restricted Funds Continued

Distributable grants	31 March 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
Sub Total Brought Forward	1,125,070	884,440	1,009,389	234,144	1,234,265
Leamington	5,760	3,293	2,279	0	6,774
Longleigh	19,084	0	0	0	19,084
Love my Keresley Community	18,200	0	0	0	18,200
Made by Sport	239,835	9,746	249,581	0	0
Mayflex UK Fund	0	9,200	1,200	0	8,000
Mike Holland Trust	2,970	0	2,969	2,847	2,848
NNS Birmingham City Council	(27,582)	287,000	230,360	0	29,058
NNS Food Bank	0	100,000	0	0	100,000
NNS Track & Trace	0	50,000	0	0	50,000
Northfields Emergency Assistance fund	37,520	0	37,520	0	0
Orbit Heart of England Fund	9,812	221,727	113,191	1,632	119,980
Positive Futures	15,716	45,000	55,076	0	5,640
Pedimore fund	39,165	27,000	39,680	0	26,485
PSA Peugeot Citroen	20,206	0	13,046	3,670	10,830
Road to 21	5,321	0	0	0	5,321
Sandwell Community Fund	18,809	0	0	7,286	26,095
SEGRO	422	0	0	0	422
Solihull Community Foundation	6,735	0	2,500	1,330	5,565
Solihull Celebrating Communities	0	121,441	37,620	0	83,821
Solihull Winter Welbeing	(1,760)	302,321	192,212	0	108,349
Stellantis Employee Fund	0	21,004	3,085	0	17,919
Tipton Education Fund	49,910	10,800	9,312	0	51,398
The David East Fund	0	91,840	32,120	0	59,720
Torrington House	16,582	579	0	2,101	19,262
Warwickshire Country Council	0	1,000,000	1,000,000	0	0
Wesleyan fund	213,377	50	175,598	0	37,829
Women and Girls	15	0	0	0	15
Warwickshire Recycling	3,925	0	0	(3,925)	0
Youell family fund	53,651	0	9,320	21,563	65,894
Young at Heart	581,094	0	39,974	(10,000)	531,120
	2,453,837	**3,185,441**	**3,256,032**	**260,648**	**2,643,894**

16. Designated Funds

	31 March 2021	Income	Expenses	Gains/ (losses)	Transfers	31 March 2022
	£	£	£	£	£	£
Arts Council	0	7,939	0	0	0	7,939
Building Better Lives	110,833	0	0	0	0	110,833
BBO Provision	120,463	0	0	0	0	120,463
Birmigham City Council	0	0	0	0	12,620	12,620
Cadbury Fund	6,250	0	0	0	0	6,250
Coventry Building Society	10,500	7,000	0	0	(10,500)	7,000
City of Culture	0	0	0	0	9,000	9,000
Heart of England Fund	200,000	0	57,599	0	100,000	242,401
David East Fund	0	0	0	0	5,000	5,000
Esme Fairbairn Fund	0	0	0	0	6,250	6,250
Jaguar Fund	0	0	0	0	4,944	4,944
Made by Sport	20,855	0	0	0	(20,855)	0
Mayflex Fund	0	0	0	0	800	800
Orbit	0	0	0	0	8,445	8,445
Pandemic Recovery Fund	100,000	0	0	0	(100,000)	0
Solihull Fund	0	0	0	0	14,281	14,281
Warwickshire County Council	0	27,096	0	0	0	27,096
Wesleyan	34,000	0	0	0	(34,000)	0
Youell Family Fund	682,426	0	4,532	59,911	0	737,805
	1,285,327	42,035	62,131	59,911	(4,015)	1,321,127

The Youell Family Fund is a Legacy from the late Alfred Youell MBE. Building Better Lives fund is a capital grants programme. The BBO Provision fund represents an amount set aside to cover any clawback from the BBO programme in the future.

The Cadbury fund, Coventry Building Society, Arts Council, City of Culture David East fund, Esme Fairbairn Fund, Jaguar Fund, Mayflex Fund, Orbit Fund, Solihull Fund, Warwickshire County Council and Wesleyan represent amounts set aside for the running of the grant funds in future years.

The Heart of England Fund is a fund set up by the Trustees that can be used for immediate need in the community that the Charity could support.

17. Analysis of fund balances between the net assets

	General Funds £	Designated Funds £	Restricted Funds £	Endowment funds £	Total funds 2022 £
Tangible Fixed Assets	1,472	0	0	0	1,472
Investments	271,780	737,804	0	16,100,724	17,110,308
Bank and Cash Balances	330,710	583,323	3,719,816	757,250	5,391,099
Debtors	70,445	0	152,821	0	223,266
Creditors	(63,247)	0	(1,195,542)	0	(1,258,789)
	611,160	1,321,127	2,677,095	16,857,974	21,467,356

18 . Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for year	1,162,589	936,151
Dividend received	(339,971)	(300,993)
Rents received from investment properties	(88,668)	(85,183)
Interest receivable	(5,073)	(7,820)
Depreciation and impairment of tangible fixed assets	4,245	4,247
(Gains)/Losses on investments	(921,975)	(2,712,726)
Receipt of endowment	(116,618)	(193,594)
(Increase)/decrease in debtors	(42,448)	(40,881)
Increase /(decrease) in creditors	657,228	391,643
Net cash flow from operating activities	309,309	(2,009,156)

Analysis of Net Debt

	1/4/2021	Cashflow	31/3/2022
Cash and cash equivalents	5,431,150	348,630	5,779,780

19. Control Relationships

The Board of Trustees is ultimately responsible for the control of the Charitable Foundation.

20. Taxation

The Foundation is a registered charity and its activities are such that no liability to Corporation tax arises on its results for the year.

21. Members' guarantee

Every member has agreed that, if the charity is dissolved, while he or she remains a member or within twelve months afterwards, to contribute up to £10 towards the cost of dissolution and the liabilities of the charity.

22. Pensions and Post Retirement Benefits

a) Defined contribution pension plans –

The charity contributes to the money purchase pension plan for certain of its employees. The amount recognised as an expense in the period was £11,529 (2021: £12,839).

23. Financial instruments

The carrying value of the charity's Financial instruments

	2022 £	2021 £
Financial Assets		
Measured at fair value through net income/expenditure:		
Fixed asset investments (note 11)	15,716,627	14,295,931
Measured at amortised cost:		
Barn rent receivable (note 12)	24,890	23,765

The income, expenditure, net gains and net losses attributable to the charity 's financial instruments are as follows:

	2022 £	2021 £
Net gains and losses		
Financial assets measured at fair value through net income/expenditure	921,975	2,712,726

24. Operating Leases – Lessor

Total future minimum lease payments collectable under non-cancellable operating leases:

	2022	2021
	£	£
Within one year	87,700	86,318
1-5 years	15,886	35,182
More than 5 years	0	0
Total	**103,586**	**121,500**

The Foundation lets the large and small Youell Barns, the small barn lease was renewed during 2019-20 and has a break clause in February 2024. The large barn lease was updated in 2022 and has a break clause in April 2023.

HEART OF ENGLAND COMMUNITY FOUNDATION

England & Wales - Charity number 1117345

Accounts

heart of england
COMMUNITY FOUNDATION

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

REGISTERED CHARITY NO. 1117345
COMPANY REGISTERED NO. 5999452

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

CONTENTS

Trustees and Staff	3 - 4
Professional Advisors	4
Trustees' Report *(including Directors Report and Strategic Report)*	5 – 16
Auditors' Report	17 – 21
Statement of financial activities *(including Income and Expenditure Account)*	22 - 23
Balance sheet	24
Statement of Cash flow	25
Notes	26 - 44

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee, no. 5999452)
YEAR ENDED 31 MARCH 2021

TRUSTEES AND STAFF

Registered Office: Stellantis
Pinley House, Sunbeam Way
Coventry CV3 1ND

Corporate Patron: Stellantis
Patron: Mrs Sally Carrick (Appointed June 2021)

Presidents: Tim Cox, the Lord Lieutenant of Warwickshire
Rt Reverend Dr Christopher Cocksworth, the Bishop of Coventry
Rt Reverend David Urquhart, the Bishop of Birmingham
John Crabtree OBE, the Lord Lieutenant of the West Midlands

Trustees:	
Mr Phil Ewing	Chairman
Ms. Michelle Vincent	Treasurer
Mr Paul Belfield	
Mr. Amrik Bhabra MBE	
Ms. Lucie Byron	
Mrs Sally Carrick	Retired June 2021
Mr John Taylor	
Mr Christopher West	
Ms Jude Jennison	
Mr Daniel Worthing	
Ms Elizabeth McKenzie	Retired March 2021
Mr Naeem Alvi	
Mr Russell Bailey	
Mr Calum Nisbet	Joined March 2021
Ms Jasmin Koasha	Joined March 2021
Ms Alethea Fuller	Joined June 2021
Ms Cleo Morris	Joined June 2021

Staff:		
	Tina Costello	Chief Executive Officer
	Helen Kendrick*	Senior Manager Operations
	Shamiela Ahmed	Senior Manager Grants
	Claire Evans*	Senior Manager Finance
	Aaron Greaves	Marketing & Communications Manager
	Jenny Whateley	Grants Officer
	Lou Beddoe	Grants Officer
	Liz Daw*	Grants Officer
	Lorna Langhorn	Team Administrator
	Sarah Phillips *	Executive Officer
	Paramjit Kaur	Finance officer

**Part-Time*

PROFESSIONAL ADVISORS

Auditors:

Dafferns LLP
One Eastwood, Harry Weston Road
Binley Business Park
Coventry, West Midlands
CV3 2UB

Investment Managers:

Quilter Cheviot
Three Temple Quay
Temple Way
Bristol
BS1 6DZ

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Rathbones
Temple Point
1 Temple Row
Birmingham
B2 5LG

Bankers:

CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling, Kent
ME19 4JQ

Santander Bank
Bootle
Merseyside
L30 4GB

Lloyds
10 Gresham Street
London
EC2V 7AE

Solicitors:

Wright Hassall LLP
Olympus Avenue
Leamington Spa
Warwickshire

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
YEAR ENDED 31 MARCH 2021
TRUSTEES' REPORT including DIRECTOR'S REPORT

The Trustees have pleasure in presenting their annual report along with the financial statements of the charity for the year ending 31 March 2021.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland as amended for accounting periods commencing on or after 1 January 2019 and the Companies Act 2006.

1. Structure, Governance and Management

1.1 Objects and Activities

The objects of the Community Foundation are defined in its Memorandum and Articles of Association. The Community Foundation manages a diverse portfolio of grant programmes working with a range of donors to provide charitable and philanthropic services across the geographical areas of Birmingham, Black Country, Coventry, Solihull, and Warwickshire. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the current aims and objectives and in planning future strategies and setting grant making policies.

Our activities are determined by our charitable objectives:

- The promotion of any charitable purposes for the benefit of communities within the County of West Midlands and Warwickshire, United Kingdom and the advancement of education, the protection of good health and the relief of poverty and sickness
- Any other exclusively charitable purposes, which are, in the opinion of the trustees, beneficial to the community in benefit.

The Foundation exists to support the local voluntary and community sector across the West Midlands. We work with a range of donors to offer bespoke and philanthropic charitable services. We aim to inspire and encourage local giving, supporting those smaller organisations working at the heart of our local communities.

The Foundation primarily supports not for profit organisations with grants which make an impact at a local level. We endeavour to have a balanced portfolio of grant programmes which enables us to fund a wide cross section of organisations supporting those most in need.

1.1 Objects and activities (continued)

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by the Heart of England Community Foundation and in planning future activities. The benefits of our activities are described in this Annual Report and relate directly to our aims and objectives.

1.2 Board Appointments

Our AGM was held in October 2020, Liz McKenzie indicated she would retire from our board in March 2021.

At each AGM, one third of the trustees must retire, those longest in office retiring first. The Board of Trustees meet on a quarterly basis.

The West Midlands is a vibrant diverse region, and the Foundation recognises that an effective board must be representative of the communities we serve and the geography we cover.

The Foundation has undertaken an open recruitment drive with a clear job description and person specification, this resulted in a high calibre of applications and the appointment of new trustees who are representative of our communities, in terms of diversity, age and gender but also with the skill sets we require. Potential Trustees are interviewed by the Chair, Vice Chair and Chief Executive Officer.

The names of the Trustees who have served throughout the financial year and to the date of this report are shown on page 3. All Trustees have a full induction and are regularly updated on the operational running of the Foundation.

On an annual basis the Trustees complete a skills matrix and self-evaluation which enables the charity to review the skills and experience and identify any potential gaps and an opportunity for individual Trustees to evaluate their own input into the work of the foundation.

1.3 Board Subcommittees

The Foundation has four sub-committees but due to the global pandemic we adapted and changed the way we award decisions to ensure vital funds were received quickly and efficiently to organisations supporting vulnerable communities at a local level.

Finance and Investment Committee, responsible for:

- Budgets and overseeing investment performance.
- Quarterly investment returns and endowment performance.
- Comparison of Investment Managers
- Maximisation of interest rate returns

1.3 Board Subcommittees (continued)

- Reviewing investment strategy
- Annual meetings with all 3 Investment Managers
- Reviewing asset class investments
- Considering appropriate avenue for unrestricted core income
- Reviewing quarterly management accounts
- Analysing forecast against actual performance
- Monitoring and review finance resources

Management Committee, responsible for:

- Management of governance and operational risks
- Approval of new and revisions to policies and procedures
- Maintaining oversight of the risk register
- Maintaining oversight of the charity's operations
- Oversight and monitoring of operational projects and programmes
- Maintaining oversight of operational decision making on HR changes include-disciplinaries, performance management and recruitment.
- Approval of formal HR changes such as staffing re-structures.
- Approval of pay awards as the charity's remuneration committee.
- Approval of recommendations for new tenders/contracts and grant programmes in line with the delegation of authority policy.

Grant Sub-Committees

Covid-19 had a huge impact on the way the Foundation makes grants, it was imperative that decisions were made quickly providing a vital lifeline of funds for our communities. Pre-covid we operated two independent grant making panels supporting our grant making in Coventry, Warwickshire and Solihull and Birmingham and the Black Country.

Throughout the pandemic we convened a dedicated panel of volunteers including a Trustee of the Foundation alongside two volunteer panel members from our existing Grant Sub-Committee. The decision -making panel met weekly for over 12 months, ratification was undertaken by our Chief Executive Officer and grants were distributed on a weekly basis.

We cannot thank our volunteers enough for their valuable time and commitment to supporting us through the pandemic.

1.3 Board Subcommittees (continued)

The pandemic has shown us that we can work differently, we can respond with efficiency and agility and some of that learning will be embedded into our future practices. We will significantly reduce the turnaround time on grant applications, we will convene one external decision-making panel who will be responsible for the following:

- **Grants Sub Committee** responsible for decision making on non-donor-directed funds across all of our areas of benefit including:
- Strategic overview of grant making to ensure equitable and fair distribution of funds.
- Profiling annual grant budgets.
- Review of impact of grants awarded.

The Committee will be chaired by a Foundation Trustee, the remaining members are donors and key voluntary and community sector stakeholders and community activists.

1.4 Business Planning

In 2020 we held a number of strategy days with our Board and Senior Management Team to reflect on our previous 3-year strategy. We celebrated our successes and achievements in securing new donors, growing our endowment, understanding our communities better but also reflected on our partial achievements and how we could embed those into our new 3-year strategy.

The Foundation recognises that the geographical area we support is rich in diversity and culture, we have both urban and rural areas, cities and remote villages and we need to understand where our funding gaps are, where our funds will have the most impact, how we identify what our priorities will be.

Equality, diversity, and inclusion is intrinsically embedded throughout our strategy, this is not a stand-alone piece of work but a commitment to being a fair, transparent and inclusive funder.

Our over-arching strategic aims are:

- Deliver accessible, inclusive, and flexible funding.
- Maintain strong relationships with our donors to ensure we retain their investment to improve lives in the region.
- Continually seek to attract new donors to increase our social investment within the West Midlands and Warwickshire
- To be an equitable, diverse, and inclusive funder
- Strengthen our existing finance, governance, and leadership to ensure donor trust and confidence in the charity's sustainability and longevity.

Alongside our new 3-year strategy and business plan, the Foundation also reflected on our current Vision, Mission and Values which resulted in a strategy day with the whole staff team, the Board, and some key stakeholders. Our new Vision, Values and Mission reflect our ambitions, our commitment to our region and the ethos of how we work.

Vision – Our vision is to create happier healthier lives for the West Midlands and Warwickshire

Mission – Connecting generous donors who care, with community causes that make a difference.

Values

Trust- We are trusted by all those who work with us.

Care- We care passionately about our communities, our donors, and our team.

Fairness- We promote equality and diversity in everything we do.

Ambition- We give our communities the strength to achieve their aspirations.

Fun- We take our work seriously with some fun along the way.

We have an ambitious year ahead and one of our priorities is to improve our customer journey through the implementation of a 'single front door'. This will negate the need for an applicant to choose which fund to apply for as the Foundation will endeavour to 'match' the project to the best fund available. This is an extensive piece of work and we have already held a number of user testing webinars with local community organisations and our grants team, we hope to launch in September 2021.

The Foundation has also commissioned an external evaluator to analyse the impact of our funds, to identify any gaps in our geography and communities of interest, enabling us to set a baseline and priorities for where our funds will have the most impact. The evaluator will also provide us with a template and training so we can undertake internal evaluations on an annual basis. .

As part of the UKCF network, quality accreditation is undertaken every 3 years. This year we are preparing for QA5, it is a lengthy process but provides a real helicopter view of our governance, policies, procedures and is an excellent tool to sound check the way we work, we have always achieved a high accreditation status and we hope to achieve this again this year.

1.5 Risk Management

The principal identified risks to which the Foundation are exposed are integrated into the business plan to ensure they are regularly reviewed. The Foundation also maintains a risk register which is reviewed on a quarterly basis by the Management Committee.

As part of QA5 and in light of the pandemic, we have reviewed and amended our risk register accordingly, the risks are predominantly the same but in particular loss of income and loss of tenants in our commercially rented barns have been rated higher.

1.6 Pay Policy for Senior Staff

The Trustees consider the senior management team to comprise the key personnel of the Charity in charge of directing, running, and operating the Charity on a day-to-day basis. The pay of senior staff is reviewed annually by the Management Committee and is based on performance and average earnings across the sector.

1.7 Fundraising Regulator Statement of Compliance

Heart of England Community Foundation does not contract to a third party to undertake any fundraising on its behalf. The charity does employ a Marketing Manager and Marketing Assistant who initiates campaigns and supports fundraising activities. We have received no fundraising complaints during the year.

The charity only makes fundraising approaches to contacts who have given explicit consent to receive such campaign documentation under GDPR guidelines.

2. Achievements and Financial Performance for 2020-21.

In the Foundation's 26-year history, we have never had to respond to an emergency or disaster, but the unprecedented global pandemic meant we had to act quickly and with significant agility to ensure we could support organisations on the ground helping some of our most vulnerable in society.

We moved to home working and launched our own Corona Virus Resilience Fund, our first ever fundraising campaign. We were supported by our local press in terms of promotion, supported by our wonderful existing donors but also a number of other trusts and foundations who felt we were best placed to deliver the funds to the right organisations in a timely fashion.

We would like to sincerely thank everyone that donated to our campaign, in particular both Edward Cadbury Trust and Barrow Cadbury for their significant donations, the number of smaller trusts within our region, the generosity of the general public and the generosity of not just our donors but their employees.

2. Achievements and Financial Performance for 2020-21 (Continued)

Due to the success of our campaign the Foundation made the decision not to repurpose our existing funds but to halt all of our normal grant activity to focus on the pandemic. This was a prudent decision and has ensured we have funds to support our communities this year.

Our focus for this year has not been fund development but supporting the West Midlands and Warwickshire through the pandemic. We were the first regional funder to distribute funds and the fantastic feedback we have received confirms we were a lifeline, adapting our processes, simpler application forms and quick turnaround on applications.

UKCF were successful in partnering with the National Emergency Trust, the Department of Media, Culture and Sport and the Co-op which provided us with not only the significant funds but the ability to adapt our programmes to support the emerging needs of the voluntary and community sector. For example, our Doing Things Differently Fund enabled organisations to adapt their services, move into a digital space, adapt their community buildings, offering flexibility and less bureaucracy but still adhering to the donor's reporting requirements.

The Foundation worked with a number of new donors, Hammerson Plc, UBS, Alan Edward Higgs Charity, Longleigh Foundation, all directing their funds through the foundation ensuring immediate impact.

We have also secured a 10-year grant programme from Segro as part of their centenary celebrations, supporting skills and employment for young people in Coventry.

Prior to the pandemic, we were successful with our tender to deliver grant making services for Birmingham City Council. We work in collaboration with Birmingham City Council, a number of local community partners to deliver grants in specific areas of the city with the aim of reducing the adult social care bill. Social prescribing is an innovative way to engage lonely, isolated adults and signpost them to community organisations and opportunities to meet others in a community setting.

We have also been successful in securing a grant making contract with Solihull Metropolitan Borough Council, initially managing a Corona Virus support fund, we have now secured an extension to deliver a Well-Being and Recovery programme for Solihull.

We are excited to be part of the City of Culture 2021 and have launched a number of bespoke programmes to support Black artists and under 5's in Coventry. The pandemic has been catastrophic in terms of planning, but we are confident that the City of Culture will put Coventry on the map.

2. Achievements and Financial Performance for 2020-21 (continued)

Even through the pandemic, our Building Better Lives programme has progressed, and we are pleased to report that St Basil's young homeless charity has successfully renovated a former care home into a fantastic space for young homeless, already housing 36 young people. The anonymous donor enabled us to give almost £1 million towards the project and we hope this helps to change and shape the lives of vulnerable young people for many years to come.

Black Country Women's Aid build is almost complete, providing emergency accommodation for victims of modern slavery and YMCA is on track to build an additional 26 move on flats, what an achievement through a global pandemic.

We have successfully delivered our Building Better Opportunities Programme, a £5 million co-financed programme by the National Lottery Communities Fund and the European Social Fund. Our external evaluation was presented to key stakeholders across the Black Country and demonstrates the innovative ways and approaches to supporting the long term unemployed back into employment.

Key Performance Measures

We have now launched our 3-year strategy, funding strategy and 1-year operational plan which have clear performance indicators, we will report on our first year in the next financial year.

Human Resources

This year we have recruited a Senior Manager of Programmes to our Senior Management Team, alongside the Senior Manager of Operations and Senior Manager of Finance this really strengthens our SMT and enables the Chief Exec to focus on fund development.

We have also promoted our Marketing Officer to our Marketing and Comms Manager, recognising his progress and commitment to the role, alongside this we have recruited a Marketing Assistant to allow the Marketing Manager to focus more strategically on our marketing initiatives and campaigns.

Incoming Resources

The Foundation's total incoming resources for 2020-21 were £7,420,126 and the overall funds of the foundation increased by £936,151 to £20,304,767.

2. Achievements and Financial Performance for 2020-21 (continued)

Endowed Donations

We have grown our endowment, using some of our own unrestricted funds from the anonymous donors, we have partnered with a major Coventry based charity Alan Edward Higgs Charity to invest £500,000 for the long-term benefit of Coventry communities.

We have also taken over a small trust, Harry Weston Memorial Fund, to support older people in Coventry.

We have been in discussions with a Birmingham based charity with a view to take over the administration of the charity in the summer of 2021, this comprises not just an endowed fund but a number of residential properties.

Investments

The Foundation's investment policy, updated and reviewed every three years, is for a balanced portfolio which produces reasonable income for grant making whilst growing the value of the assets to protect them against the effects of inflation or other defining factors in the longer term. This is considered a relatively low risk approach.

Our stock market investments are managed by Quilter Cheviot, CCLA and Rathbones. Performance is bench marked against the FTSE APCIMS (Association of Private Client Investment Managers) Index.

Investment performance over the 12-month period ending 31st March 2021 was materially impacted by equity market volatility linked to the COVID-19 pandemic. Prior to the aggressive sell-off we saw in February and March 2020 global capital markets had been broadly positive, recovering the losses made.

Grants

The total grant income for 2020-21 was £5,933,195 which was an increase of £2,450,511 from the previous fiscal year. Our total grant expenditure was £8,067,313 and a full report on the foundation's discretionary grant making will be available on our website.

Restricted Core Income

Restricted core income is predominantly received for the management of statutory grant programmes such as our National Lottery Communities Fund, European Social Fund, Building Better Opportunities. In 2020-21 our restricted core income was £223,602 compared to £273,798 in the previous fiscal year. This income includes £167,709 from our National Lottery Communities Fund European Social Fund, Building Better Opportunities Programme.

2. Achievements and Financial Performance for 2020-21 (continued)

Unrestricted Core Income

Our unrestricted core income this year is derived from several sources, our investments, general donations, and contribution to our core costs for the delivery of flow through grant programmes such as Wesleyan Assurance, National Emergency Trust, Orbit Housing, Department of Media, Culture and Sport.

The balance of our unrestricted income is, at present, used to meet core expenditure which is not covered by restricted income. Unrestricted income for 2020-21 was £482,752 compared with £419,708 in the previous fiscal year.

We are eternally grateful to 29th May 1961 Charitable Trust for their annual unrestricted donation and all of our donors for their generosity in supporting our core income.

We are immensely proud of our response to the global pandemic; we have an ambitious 3-year strategy but overarching all of this is our commitment to the communities we serve. Later this year we hope to hold a celebration event to thank all of our donors and celebrate the amazing activity that takes place at a local level.

Expenditure

The Foundation made an operating loss on unrestricted general funds of £143,770 which compares with a budgeted loss for the year of £39,712 and an operating surplus in the previous year of £72,844.

Designated Funds

Our designated funds as of 31st March 2021 totalled £1,285,327. These include the current value of £682,426 from the Youell Legacy plus funds of £602,901 for the delivery of grant programmes in 2021-2022, which are not regarded as free reserves by the Trustees.

3. Reserves Policy

A considerable part of the Foundation's income is derived from unrestricted core donations of which there is no certainty and management fees for the delivery of flow through grant programmes which are usually time bound. The Trustees believe it to be necessary to retain sufficient free reserves to maintain the Foundation operationally between the times such schemes end, and new programmes come on board. New funding streams are often subject to competitive tendering and cannot be relied upon with certainty. Free reserves must also be retained to cover statutory obligations to our staff should that prove necessary.

3. Reserves Policy (Continued)

It is therefore the policy of the Foundation to maintain, always, free reserves of no less than the equivalent of six months core (support and governance) costs. At the 31 March 2021, total reserves were £20,304,767, of which endowed funds were £15,924,832 and restricted funds were £2,486,704. Of the remaining unrestricted funds totalling £1,893,231, £1,285,327 has been designated by Trustees. The actual free reserves at the end of the fiscal year equate to £607,904. However, £277,497 of these free reserves represent non-liquid fixed assets. The balance of £330,407 is 7.5 months of budgeted core costs for 2020-21.

4. Trustees' Responsibilities Statement for Charitable Companies

The Trustees (who are also Directors of the Heart of England Community Foundation for the purposes of company law) are responsible for the preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare Financial Statements for each fiscal year, which give a true and fair view of the of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

4. Trustees' Responsibilities Statement for Charitable Companies (Continued)

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

5. Auditors

A resolution to re-appoint Dafferns LLP as the Charity's auditor will be proposed at the forthcoming Annual General Meeting. The report of the Trustees has been prepared taking advantage of the small companies' exemption in the Companies Act 2006. This report was approved by the Board of Trustees and authorised for issue on 21st October 2021 and is signed on its behalf by:

Phil Ewing
Chair



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEART OF ENGLAND COMMUNITY FOUNDATION (A company limited by guarantee)

Opinion

We have audited the financial statements of The Heart of England Community Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issues.

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

[continued ...]

Other information

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

[continued ...]

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEART OF ENGLAND COMMUNITY FOUNDATION (A company limited by guarantee)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 15 & 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

[continued ...]

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation, (i.e. gives a true and far view)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[continued ...]

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

Use of our report

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

Signed:



Richard Miller FCA MA (Oxon) (Senior Statutory Auditor)
For and on behalf of Dafferns LLP,

Chartered Accountants, Registered Auditors

One Eastwood, Harry Weston Road

Binley Business Park, Coventry, CV3 2UB

Date: 4 November 2021

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted		Restricted Funds			
		General Funds	Designated Funds	Core Costs	Distributable Grants	Endowment Funds	2021
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	375,259	65,355	223,008	6,098,071	244,140	7,005,833
Rental Income		85,183	0	0	0	0	85,183
Investment Income		0	0	0	0	300,993	300,993
Bank Interest		7,226	0	594	0	0	7,820
Other Income		15,084	5,213	0	0	0	20,297
Total Income and Endowments		482,752	70,568	223,602	6,098,071	545,133	7,420,126
Expenditure							
Raising Funds	3	62,276	0	0	0	0	62,276
Investment Management Costs		0	4,420	0	0	50,546	54,966
Charitable Activities - Grants	4	0	0	0	8,067,313	0	8,067,313
Charitable Activities - Support costs	5	443,377	0	192,713	11,196	0	647,286
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		0	0	0	353,820	0	353,820
Governance	8	11,040	0	0	0	0	11,040
Total Expenditure		516,693	4,420	192,713	8,432,329	50,546	9,196,701
Net Gain/(loss) on investment assets	11	0	135,498	0	0	2,577,228	2,712,726
Net Income/(expenditure)		(33,941)	201,646	30,889	(2,334,258)	3,071,815	936,151
Transfers between funds	9	(109,829)	253,172	(239,545)	(77,860)	174,062	0
Net Movement in Funds		(143,770)	454,818	(208,656)	(2,412,118)	3,245,877	936,151
Funds at 31 March 2020		751,674	830,509	241,523	4,865,955	12,678,955	19,368,616
Funds at 31 March 2021		607,904	1,285,327	32,867	2,453,837	15,924,832	20,304,767

Note: For Companies Act purposes the deficit for the year (excluding the net movement of Endowment Funds) was £2,309,726 (2020 deficit for the year was : £616,916). There were no discontinued activities during the year. The Statement of Financial Activities includes all gains and losses recognised during the year. Prior year comparatives are shown on page 23, please continue overleaf.

HEART OF ENGLAND COMMUNITY FOUNDATION

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds		Restricted Funds			
		General Funds	Designated Funds	Core costs	Distributable grants	Endowment Funds	Total 2020
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies	2	289,652	6,250	272,900	4,238,350	1,341,018	6,148,170
Rental Income		84,376	0	0	0	0	84,376
Investment Income		0	0	0	0	331,004	331,004
Bank Interest		40,638	0	898	0	0	41,536
Other income		5,042	0	0	0	0	5,042
Total Income and Endowments		419,708	6,250	273,798	4,238,350	1,672,022	6,610,128
Expenditure							
Raising Funds	3	50,606	0	0	0	0	50,606
Investment Management Costs		0	4,688	0	0	50,949	55,637
Charitable Activities - Grants	4	0	0	0	3,976,066	0	3,976,066
Charitable Activities - Support costs		465,813	0	240,935	500	0	707,248
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners		0	0	0	1,085,666	0	1,085,666
Governance	8	9,624	0	0	0	0	9,624
Total Expenditure		526,043	4,688	240,935	5,062,232	50,949	5,884,847
Net Gain/(loss) on investment assets	11	0	(83,837)	0	0	(896,233)	(980,070)
Net Income/(expenditure)		(106,335)	(82,275)	32,863	(823,882)	724,840	(254,789)
Transfers between funds		179,179	24,255	(87,809)	247,088	(362,713)	0
Net Movement in Funds		72,844	(58,020)	(54,946)	(576,794)	362,127	(254,789)
Funds at 31 March 2019		678,830	888,529	296,469	5,442,749	12,316,828	19,623,405
Funds at 31 March 2020		751,674	830,509	241,523	4,865,955	12,678,955	19,368,616

HEART OF ENGLAND COMMUNITY FOUNDATION

(A company limited by guarantee) Company Registration no. 5999452

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31 March 2021		31 March 2020	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	10		5,717		9,964
Investments					
Investment properties	11	1,005,000		1,005,000	
Listed investments	11	14,283,643		11,148,026	
Cash at Investment Managers		348,414		340,736	
			15,637,057		12,493,762
			15,642,774		12,503,726
Current Assets					
Cash at Bank and in hand		5,082,736		6,934,871	
Debtors	12	180,818		139,937	
		5,263,554		7,074,808	
Creditors: amounts falling due within one year	13	601,561		209,918	
Net Current Assets			4,661,993		6,864,890
Net Assets			20,304,767		19,368,616
Funds of the Charity					
Capital Funds					
Endowment Funds	14		15,924,832		12,678,955
Income Funds					
Restricted Funds	15		2,486,704		5,107,478
Unrestricted Funds (Designated)	16	1,285,327		830,509	
Unrestricted Funds (General)		607,904		751,674	
Total unrestricted Funds			1,893,231		1,582,183
Total Funds			20,304,767		19,368,616

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the trustees and authorised for issue on 21st October 2021 and are signed on their behalf by

Phil Ewing - Chairman

Michelle Vincent- Trustee

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		£	£
Cashflow from operating activities	18	(2,009,156)	600
Net cash flow from operating activities		(2,009,156)	600
Cash flow from investing activities			
Payments to acquire investments	11	(2,142,406)	(1,898,851)
Receipts from sales of investments	11	1,719,515	1,254,045
Interest received		7,820	41,536
Dividends received		300,993	331,004
Rents received from investment properties		85,183	84,376
Net cash flow from investing activities		(28,895)	(187,890)
Cash flow from financing activities			
Receipt of permanent endowments		193,594	1,252,370
Net cash flows from financing activities		193,594	1,252,370
Net Increase/(decrease) in cash and cash equivalents		(1,844,457)	1,065,080
Cash and cash equivalents at 1 April 2020		7,275,607	6,210,527
Cash and cash equivalents at 31 March 2021		5,431,150	7,275,607
Cash and cash equivalents consist of:			
Cash at bank and in hand		5,082,736	6,934,871
Short term deposits		348,414	340,736
Cash and cash equivalents at 31 March 2021		5,431,150	7,275,607

1. Accounting policies

Basis of preparation

Heart of England Community Foundation is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to act as a conduit for philanthropy, linking private and public funders with small community projects across the county of West Midlands.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods commencing on or after 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and after performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Reports.

For legacies entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

1. Accounting policies (continued)

Incoming Resources (continued)

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and irrecoverable VAT
Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of overhead and support costs
Overhead and support costs have been allocated between charitable activity and governance costs. Overhead and support costs relating to charitable activities have been apportioned on a basis consistent with the use of resources.

Charitable activities
Costs of charitable activities include grants made and support costs as shown in note 5.

Governance costs
Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support cost allocation
Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Fundraising Costs
Fund-raising costs are those which are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

The analysis of these costs is included in note 3.

1. Accounting policies (continued)

Endowment funds

These funds include expendable endowments which arose from grants and donations given specifically to be held as capital unless the trustees resolve they may be spent. It is the intention of the trustees that these funds be maintained for the foreseeable future. Grants are funded from the income generated from the capital investments. There can be an initial period of income accumulation in accordance with the donor's wishes.

Restricted funds

These funds are received for specific purposes set by the grant funders or donors. These include funds received to enable grants to be paid to beneficiaries and meet the cost of projects and, in addition, funds received towards the Foundation's operating costs in managing those grants and projects.

Designated funds

These funds are unrestricted funds set aside by the trustees for specific purposes.

Investments

Investments in listed securities and properties are shown on the balance sheet at their open market value. Profits and losses on sales of investments and the movements in market value are taken to the Statement of Financial Activities. Property in course of construction is valued at cost.

Fixed assets and depreciation

No depreciation is provided against the cost of land. Operational assets costing less than £1,000 are written off in full through the Statement of Financial Activities in the year of purchase. Depreciation is provided by the Foundation to write off the cost less the estimated residual value of other operational fixed assets by equal instalments over their useful economic lives as follows:

Office and computer equipment - 4 years

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised in expenditure.

Pension schemes

The charity operates defined contribution pension schemes. Contributions payable in the year are charged in the Statement of Financial Activities.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1. Accounting policies (continued)

Financial instruments

Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Other financial assets, including investments in equity instruments and which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss.

Financial liabilities
Basic financial liabilities, including trade and other payables, and bank loans that are classified as debt are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Donations and Legacies

Donors contributed to the following restricted funds during the period:

	Core Costs £	Distributable Grants £	Total 2021 £	Total 2020 £
# I Will	0	0	0	20,000
29th May 1961 Charitable Trust	0	16,000	16,000	21,500
Alan Edward Higgs Fund	0	10,000	10,000	0
Birmingham Funds	0	2,250	2,250	0
Birmingham Mail Charity Fund	0	21,327	21,327	29,244
Bullring and Grand Central Fund	0	20,000	20,000	0
BSBT	0	0	0	326,891
Building better lives	0	0	0	581,095
Big Lottery Fund, European Social Fund,Building Better Opportunities	167,709	164,875	332,584	1,304,615
Community Energy Warwickshire	0	5,552	5,552	18,064
Coronavirus Resilience Fund	0	340,332	340,332	117,564
Coventry 2021 Coronavirus Resillience Fund	0	60,000	60,000	0
Coventry Building Society	0	73,647	73,647	75,000
DCS NET fund	0	1,076,711	1,076,711	0
Deutsche Bank	0	13,500	13,500	13,500
Drayton Manor Park Foundation	0	0	0	3,943
Edgbaston Emergency Food & Essential Supplies Fund	0	70,000	70,000	0
Esme Fairbairn Foundation	0	0	0	56,250
GB Partnership	0	11,160	11,160	34,160
Get ready	0	0	0	56,250
Harrison Beale & Owen	0	250	250	5,936
Harry Payne Fund	0	0	0	7,756
Heart of England CF - Various Donors	0	0	0	790
Helping Hearts	0	20,000	20,000	40,000
High Sheriff of Warwickshire	0	600	600	0
Leamington Fund	0	6,374	6,374	1,529
Longleigh Foundation	0	0	0	45,000
Made by Sport	0	239,835	239,835	0
National Emergency Trust	0	2,459,317	2,459,317	47,000
NET BAME	0	81,839	81,839	0
NNS Birmingham City Council	0	400,000	400,000	0
Northfield Emergency Assistance Food and Essential Supplies	0	70,000	70,000	0
Orbit Hardship fund	0	0	0	90,910
PSA Peugeot Citroen	55,299	0	55,299	53,950
Pedimore	0	27,000	27,000	47,250
Positive futures	0	45,000	45,000	90,000
QC Foundation Fund	0	23,383	23,383	0
Road to 2021	0	0	0	56,250
Royal London	0	0	0	10,000
Balance Carried forward	**223,008**	**5,258,952**	**5,481,960**	**3,154,447**

2. Donations and Legacies (continued)

	Core Costs	Distributable Grants	Total 2021	Total 2020
	£	£	£	£
balance brought forward	223,008	5,258,952	5,481,960	3,154,447
SEGRO	0	41,501	41,501	0
Tampon tax	0	0	0	167,530
Tipton Education und	0	10,800	10,800	10,800
Transformation and Growth	0	0	0	170,457
Uber	0	0	0	20,000
UKCF Co-op Fund	0	85,303	85,303	0
Wesleyan	0	494,445	494,445	943,000
Women & Girls Fund	0	0	0	45,016
Solihull Winter Wellbeing	0	184,070	184,070	0
Love My Keresley Community	0	23,000	23,000	0
	223,008	**6,098,071**	**6,321,079**	**4,511,250**

Donations in kind

During the financial year PSA Peugeot Citroen (Stellantis) again provided office accommodation and facilities free of charge to the Foundation. The estimated value of these benefits is £55,299, (2020: £53,950) has been reflected in the Statement of Financial Activities as gifts and as support costs within the restricted core cost fund.

3. Fundraising Costs

	Unrestricted	Restricted	Total 2021
	£	£	£
Staff Costs	62,276	0	62,276
	62,276	0	62,276

	Unrestricted	Restricted	Total 2020
	£	£	£
Staff Costs	50,606	0	50,606
	50,606	0	50,606

4. **Grants**

	Total 2021 £	Total 2020 £
Grants awarded	8,067,313	3,976,066

For full details of grants awarded during the year please visit our website to download our 'Grants Making & social Investment Report 2020/21' at www.heartofenglandcf.co.uk

Grants awarded were wholly attributable to restricted funds in both the current and preceding year.

5. Support Costs

Items marked * are based on actual expenses, all others are pro-rated based on salary spread.

	Grants £	Administration £	Fundraising £	2021 £
Staff costs (see note 6)*	153,967	296,167	0	450,134
Recruitment*	0	870	0	870
PR and advertising	7,547	14,590	3,019	25,156
Training and conferecnes	278	537	111	926
Subscriptions*	0	9,715	0	9,715
Travel and Subsistance	522	1,008	209	1,739
staff welfare	406	784	162	1,352
Meetings	154	299	62	515
Printing and stationary	(49)	(95)	(20)	(164)
Postage and telephone	2,275	4,398	910	7,583
Office equipment	4,731	9,146	1,892	15,769
repairs and renewals	65	125	26	216
Legal costs	645	1,247	258	2,150
Professional Fees*	31,042	13,021	0	44,063
Rent and rates *	0	13,400	0	13,400
Fixed asset depreciaiton	1,274	2,464	509	4,247
Office accommodation and Facilities (see note 2)	16,590	32,074	6,636	55,300
Sundry expense*	0	11,448	0	11,448
Insurance	860	1,663	344	2,867
	220,307	**412,861**	**14,118**	**647,286**

The Support costs are incurred from the following funds

	£
Unrestricted General Fund	443,377
Restricted Core Fund	192,713
Restricted Grant Fund	11,196
	647,286

6. Staff Numbers and Costs

The average number of persons employed by the Foundation during the period was 16 (2020: 18), the full -time equivalent number of employees was 14.5 (2020: 17) and the aggregate payroll costs were as follows:

	Total 2021 £	Total 2020 £
Salaries	457,594	478,267
Casual staff costs	1,614	4,892
Social security costs	40,363	43,129
Other pension costs	12,839	11,856
	512,410	538,144
Support costs (see note 5)	450,134	487,538
Fundraising costs (see note 3)	62,276	50,606
	512,410	538,144

The number of employees earning over £60,000 per year (including benefits) in the period is as follows

	2021 No.	2020 No.
£70,001 - £80,000	1	1

7. Trustees' and key management personnel remuneration and expenses

The charity considers its key management personnel as Tina Costello.

The total amount of employee benefits (including employers NI) received by key management personnel is £81,777 (2020:£79,074).

The Trustees did not receive any remuneration during the year (2020: £nil). J Koasha claimed £23 for expenses during the year, (2020: P Ewing claimed £2,787 and Gift aided back to the Charity).

7.1 Third party related transactions

The charity paid £4,843 (2020: £11,115) to Adecs Limited, a company related to Amrik Bhabra, a Trustee, for IT services. The Charity paid £3,081 (2020: £5,711) to Wright Hassall LLP a company related to Lucie Byron. The Charity paid £1,440 (2020: £0) to Notepad Studio Ltd a company related to Naeem Alvi.

8. Governance Costs

	Unrestricted	Restricted	Endowment	Total 2021	Total 2020
	£	£	£	£	£
Statutory audit fees	11,040	0	0	11,040	9,624
	11,040	0	0	11,040	9,624

The auditors remuneration amount to an audit fee of £10,800 (2020: £9,600) and other services of £240 (2020: £24).

9. Transfer between funds

	General	Designated	Core costs	Distributable grants	Endowment funds
	£	£	£	£	£
Endowment Income	92,743	0	0	198,195	(290,938)
Trustee allocation of discretionary grants	(300,000)	300,000	0	0	0
Transfer of discretionary fund for running costs	60,045	(60,045)	0	0	0
Transfer of JTH grant pot to Endowment fund	0	0	0	(465,000)	465,000
Transfer of Jumping through hoops	20,304	0	(20,304)	0	0
Transfer of funds for closure of BBO			(188,945)	188,945	
Transfer of BBO costs from general funds	17,079	0	(17,079)	0	0
Transfer of BBO income	0	13,217	(13,217)	0	0
	(109,829)	**253,172**	**(239,545)**	**(77,860)**	**174,062**

10. Tangible Fixed Assets

	Computer Equipment	Total 2021	Total 2020
	£	£	£
Cost			
1 April 2020	25,893	25,893	25,893
Additions	0	0	0
Disposals	0	0	0
31 March 2021	25,893	25,893	25,893
Depreciation			
1 April 2020	15,929	15,929	11,684
Charge for year	4,247	4,247	4,245
31 March 2021	20,176	20,176	15,929
Net Book value 31 March 2021	5,717	5,717	9,964

11. Fixed Asset Investments

11.1 Listed Investments

	Managed by Quilter	Managed by CCLA	Managed by Rathbones	Total 2021	Total 2020
	£	£	£	£	£
Market value at 1 April 2020	3,340,880	4,170,873	3,636,273	11,148,026	11,483,290
Additions at cost	1,046,781	470,471	625,154	2,142,406	1,898,851
Disposal proceeds	(1,156,255)	0	(563,260)	(1,719,515)	(1,254,045)
Gains/(losses)	887,828	781,639	1,043,259	2,712,726	(980,070)
Market value at 31 March 2021	4,119,234	5,422,983	4,741,426	14,283,643	11,148,026
Historical cost	3,561,463	4,142,476	4,080,431	11,784,370	10,835,847
Investments over 5% of portfolio value					
COIF Charities investment fund	0	3,081,980	0	3,081,980	2,565,195
Listed Investments at fair value comprise					
Equities	2,508,711	4,166,588	3,480,640	10,155,939	7,840,427
Securities	1,610,523	1,256,395	1,260,786	4,127,704	3,307,599
	4,119,234	5,422,983	4,741,426	14,283,643	11,148,026

The fair value of listed investments is determined by reference to the mid-market quoted price from F.T. Interactive Data at the balance sheet date.

11.2 Investment properties

	Small Barn	Large Barn	Total 2021	Total 2020
	£	£	£	£
Valuations				
1 April 2020	155,000	850,000	1,005,000	1,005,000
Gains/(losses)	0	0	0	0
31 March 2021	155,000	850,000	1,005,000	1,005,000
Historical cost	90,511	908,650	999,161	999,161

Two barn buildings and the land they stand on were donated to the Foundation for development into office buildings for letting when complete. The original value of the underdeveloped land and properties donated was estimated by the Trustees at £85,000.

Both barns were revalued at 31 March 17 on 23 May 2017 by Peter Holt MRICs and David Holt FRICS of D&P Holt, Chartered Surveyors on the basis of fair value. The Trustees have considered the impact of COVID 19 on the valuation of the investment properties, and whilst not every affect can be anticipated, are satisfied that there is no impairment to the value of the properties at the year end date.

12. Debtors

	Total 2021 £	Total 2020 £
Grants and donations receivable	129,194	86,944
Bank interest receivable	3,999	3,200
Investment income receivable	20,806	20,337
Barn rent receivable	23,765	26,310
Other debtors	528	0
	178,292	136,791
Prepayments	2,526	3,146
	180,818	139,937

13. Creditors

	Total 2021 £	Total 2020 £
Trade Creditors	3,704	10,619
Unpaid Grants	333,166	85,672
Deferred Income	20,463	20,407
Employee tax and social security	13,281	11,689
VAT	12,908	9,023
Staff Pension scheme contribution	2,440	2,367
	385,962	139,777
Accruals	215,599	70,141
	601,561	209,918

Deferred income has arisen as a result of rental income being received in advance.

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2021

14. Endowment Funds

	31 March 2020	Net incoming/ (outgoing) resource	Investment Gains/(losses)	Transfers	31 March 2021
	£	£	£	£	£
Ambassadors	73,503	(497)	19,274	0	92,280
Annie Bettman Fund	267,719	(1,810)	70,201	0	336,110
AXA	190,693	(1,290)	50,003	0	239,406
Birmingham fund	281,943	(2,325)	76,524	0	356,142
Birmingham Mail Charity Fund	43,936	(357)	10,761	0	54,340
Coventry Lord Mayor	20,467	(138)	5,367	0	25,696
Coventry Nursing trust	326,176	(2,032)	84,104	0	408,248
DBOI Grassroots Fund	122,334	(995)	29,962	0	151,301
Friends Provident	11,201	(76)	2,937	0	14,062
Building Better Lives	2,083,120	(17,104)	585,482	0	2,651,498
George & Vera Bryan Grassroots fund	171,921	(1,398)	42,107	874	213,504
Harry Payne Fund	2,908,514	0	509,443	0	3,417,957
Heart of England Fund	411,081	(2,780)	107,793	0	516,094
High Sheriff of Warwickshire	166,266	(185)	35,878	0	201,959
James Kenning	46,901	0	9,692	0	56,593
Jumping Through Hoops	560,713	(4,522)	145,424	478,694	1,180,309
Kingscliffe Fund	156,206	(1,056)	40,960	0	196,110
Midlands Heart	101,170	(684)	26,529	0	127,015
Mills & Reeve Grassroots Fund	57,186	(465)	14,006	0	70,727
Mike Holland fund	90,644	0	18,731	0	109,375
National Grid	67,042	(453)	17,580	0	84,169
Orbit Heart of England Fund	147,332	(996)	38,633	0	184,969
Property for Kids Grassroots Fund	22,469	(183)	5,503	0	27,789
PSA Peugeot Citroen	331,378	(2,241)	86,894	0	416,031
Rolls Royce	62,244	(421)	16,321	0	78,144
Sandwell Community Fund	305,036	0	47,499	0	352,535
Solihull Community Foundation	229,859	0	63,034	0	292,893
Torrington House	189,677	(783)	49,737	0	238,631
Trustees' New Deal	72,123	0	15,149	5,470	92,742
Warwick Lying -in -trust	37,084	(302)	9,083	0	45,865
Willenhall Community Trust	59,129	0	12,219	0	71,348
Youell Family Fund 1	1,322,347	(6,953)	330,398	0	1,645,792
Youell Family Fund 2	733,220	0	0	0	733,220
Anonymous donor Control Accounts	1,008,321	253,695	0	(20,038)	1,241,978
Investment income/Investment Management costs	0	290,938	0	(290,938)	0
	12,678,955	494,587	2,577,228	174,062	15,924,832

14. Endowment Funds continued

The investment income is allocated, on an annual basis, to unrestricted core funds £92,743 (2020: £113,745) and Grants for distribution £198,195 (2020: £248,968). Endowment funds include unrealised valuation gains of £2,511,562 (2020:£312,179).

The previous table includes the following funds relating to the Community First Programme

	31 March 2020	Net incoming Resources	Investment Gains/(losses)	Transfers	31 March 2021
	£	£	£	£	£
Coventry Nursing trust	25,647	0	5,300	0	30,947
Harry Payne Fund	2,908,514	0	509,443	0	3,417,957
High Sheriff of Warwickshire	138,907	0	28,704	0	167,611
James Kenning	46,901	0	9,692	0	56,593
Solihull Community Foundation	229,859	0	47,499	0	277,358
Trustees' New Deal	68,919	0	15,149	5,470	89,538
Willenhall Community Trust	59,129	0	12,219	0	71,348
Youell Family Fund 1	294,113	0	60,778	0	354,891
	3,771,989	0	688,784	5,470	4,466,243

15. Restricted Funds

	31 March 2020	Income	Expenditure	Transfers	31 March 2021
	£	£	£	£	£
Core					
Big Lottery Fund, European Social Fund, Building Better Opportunities	221,220	168,303	(137,414)	(219,242)	32,867
Jumping through Hoops	20,303	0	0	(20,303)	0
PSA Peugeot Citroen (in Kind)	0	55,299	(55,299)	0	0
	241,523	223,602	(192,713)	(239,545)	32,867

15. Restricted Funds Continued

	31 March 2020	Income	Expenditure	Transfers	31 March 2021
Distributable grants	£	£	£	£	£
29th May 1961 Charitable Trust	7,429	16,000	(19,250)	0	4,179
Alan Edward Higgs Charity	0	10,000	0	0	10,000
Annie Bettman Fund	8,177	0	(8,000)	3,665	3,842
AXA	1,181	0	0	7,089	8,270
AXA Enterprise	4,693	0	0	(4,693)	0
Band Hatton Button	2,311	0	0	0	2,311
Big Lottery Fund, European Social Fund, Better Opportunities	0	164,875	(353,820)	188,945	0
Birmingham Funds	25,796	2,250	0	405	28,451
Birmingham Mail Charity Fund	21,690	21,327	(11,445)	224	31,796
Birmingham Sports	22,828	0	(6,000)	0	16,828
Building stronger Britain together (BSBT)	(2)	0	0	0	(2)
Building better lives	41,921	0	0	21,286	63,207
Bullring & Grand Central Fund	0	20,000	(20,000)	0	0
Community Energy Warwickshire	16,801	5,552	(5,600)	0	16,753
Communities uncovered	24,173	0	(11,196)	0	12,977
Coronavirus Resilience Fund	169,388	340,332	(399,892)	2,430	112,258
Coventry 2021 Coronavirus Resilience Fund	0	60,000	(60,000)	0	0
Coventry Building Society	77,273	73,647	(75,046)	0	75,874
Coventry Nursing Trust	7,952	0	0	3,230	11,182
Deutsche Bank	14,660	13,500	(10,000)	197	18,357
DCMS NET Fund	0	1,076,711	(1,076,711)	0	0
Drayton Manor Park	16,329	0	0	961	17,290
Edgbaston Emergency Food & Essential Supplies Fund	0	70,000	(40,899)	0	29,101
Esme foundation	30,703	0	(14,380)	0	16,323
GB Partnership	16,045	11,160	(22,651)	(1,500)	3,054
Get Ready Fund	7,296	0	(5,000)	0	2,296
Building better lives	2,434,403	0	(1,884,266)	0	550,137
Harrison Beale & Owen	10,650	250	0	0	10,900
Harry Payne Fund	15,722	0	(84,000)	97,760	29,482
Heart of England co-operative Society	25,168	20,000	(35,700)	0	9,468
Heart of England Fund	11,049	0	2,800	11,215	25,064
High Sheriff's Fund	11,947	600	(10,950)	3,839	5,436
Jumping Through Hoops	470,324	0	(3,294)	(460,386)	6,644
Kingscliffe Fund	5,183	0	(3,000)	1,409	3,592
Sub total carried Forward	3,501,090	1,906,204	(4,158,300)	(123,924)	1,125,070

15. Restricted Funds Continued

Distributable grants	31 March 2020 £	Income £	Expenditure £	Transfers £	31 March 2021 £
Sub Total Brought Forward	3,501,090	1,906,204	(4,158,300)	(123,924)	1,125,070
Leamington	1,434	6,374	(2,048)	0	5,760
Longleigh	45,000	0	(25,916)	0	19,084
Love my Keresley Community	0	23,000	(4,800)	0	18,200
Made by Sport	0	239,835	0	0	239,835
Mike Holland Trust	3,682	0	(3,000)	2,288	2,970
National Emergency Fund	47,000	2,459,317	(2,506,317)	0	0
NET BAME	0	81,839	(81,839)	0	0
NNS Birmingham City Council	0	400,000	(427,582)	0	(27,582)
Northfields Emergency Assistance Food & Essential Supplies	0	70,000	(32,480)	0	37,520
Orbit Heart of England Fund	81,100	0	(73,076)	1,788	9,812
Positive Futures	14,562	45,000	(43,846)	0	15,716
Pedimore fund	23,665	27,000	(11,500)	0	39,165
PSA Peugeot Citroen	16,185	0	0	4,021	20,206
QC Foundation Fund	0	23,383	(23,383)	0	0
Road to 21	(9,059)	0	14,380	0	5,321
Sandwell Community Fund	11,109	0	0	7,700	18,809
SEGRO	0	41,501	(41,079)	0	422
Solihull Community Foundation	2,007	0	0	4,728	6,735
Solihull Winter Welbeing	0	184,070	(185,830)	0	(1,760)
Tipton Education Fund	39,310	10,800	(200)	0	49,910
Torrington House	14,281	0	0	2,301	16,582
Uber	930	0	0	(930)	0
UKCF Co-op Fund	0	85,303	(85,303)	0	0
Wesleyan fund	418,145	494,445	(699,213)	0	213,377
Women and Girls	4,512	0	(4,497)	0	15
Warwickshire Recycling	3,925	0	0	0	3,925
Youell family fund	45,983	0	(16,500)	24,168	53,651
Young at Heart	581,094	0	0	0	581,094
#I Will	20,000	0	(20,000)	0	0
	4,865,955	**6,098,071**	**(8,432,329)**	**(77,860)**	**2,453,837**

16. Designated Funds

	31 March 2020	Income	Expenses	Gains/ (losses)	Transfers	31 March 2021
	£	£	£	£	£	£
Building Better Lives	110,833	0	0	0	0	110,833
BBO Provision	102,034	5,213	0	0	13,216	120,463
Cadbury Fund	6,250	0	0	0	0	6,250
Coventry Building Society	11,000	10,500	0	0	(11,000)	10,500
Crisis fund	0	0	0	0	200,000	200,000
Made by Sport	0	20,855	0	0	0	20,855
Orbit	4,544	0	0	0	(4,544)	0
Pandemic Recovery Fund	0	0	0	0	100,000	100,000
Wesleyan	41,500	34,000	0	0	(41,500)	34,000
UKCF	3,000	0	0	0	(3,000)	0
Youell Family Fund	551,348	0	4,420	135,498	0	682,426
	830,509	70,568	4,420	135,498	253,172	1,285,327

The Youell Family Fund is a Legacy from the late Alfred Youell MBE. Building Better Lives fund is a capital grants programme. The BBO Provision fund represents an amount set aside to cover any clawback from the BBO programme in the future.

The Cadbury fund, Coventry Building Society, Made by Sport, Pandemic Recovery Fund and Wesleyan represent amounts set aside for the running of the grant funds in future years.

17. Analysis of fund balances between the net assets

	General Funds	Designated Funds	Restricted Funds	Endowment funds	Total funds 2021
	£	£	£	£	£
Tangible Fixed Assets	5,717	0	0	0	5,717
Investments	271,780	668,018	0	14,697,259	15,637,057
Bank and Cash Balances	359,423	617,309	2,878,431	1,227,573	5,082,736
Debtors	49,018	0	131,800	0	180,818
Creditors	(78,034)	0	(523,527)	0	(601,561)
	607,904	1,285,327	2,486,704	15,924,832	20,304,767

18 . Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£	£
Net income for year	936,151	(254,789)
Dividend received	(300,993)	(331,004)
Rents received from investment properties	(85,183)	(84,376)
Interest receivable	(7,820)	(41,536)
Depreciation and impairment of tangible fixed assets	4,247	4,245
(Gains)/Losses on investments	(2,712,726)	980,070
Receipt of endowment	(193,594)	(1,252,370)
(Increase)/decrease in debtors	(40,881)	903,863
Increase /(decrease) in creditors	391,643	76,497
Net cash flow from operating activities	(2,009,156)	600

Analysis of Net Debt

	1/4/2020	Cashflow	31/3/2021
Cash and cash equivalents	7,275,607	(1,844,457)	5,431,150

19. Control Relationships

The Board of Trustees is ultimately responsible for the control of the Charitable Foundation.

20. Taxation

The Foundation is a registered charity and its activities are such that no liability to Corporation tax arises on its results for the year.

21. Members' guarantee

Every member has agreed that, if the charity is dissolved, while he or she remains a member or within twelve months afterwards, to contribute up to £10 towards the cost of dissolution and the liabilities of the charity.

22. Pensions and Post Retirement Benefits

a) Defined contribution pension plans –

The charity contributes to the money purchase pension plan for certain of its employees. The amount recognised as an expense in the period was £12,839 (2020: £11,856). This expenditure is apportioned as £1,933 in restricted funds and £10,906 in unrestricted funds.

23. Financial instruments

The carrying value of the charity's Financial instruments

	2021	2020
	£	£
Financial Assets		
Measured at fair value through net income/expenditure:		
Fixed asset investments (note 11)	14,295,931	11,148,026
Measured at amortised cost:		
Barn rent receivable (note 12)	23,765	26,310

The income, expenditure, net gains and net losses attributable to the charity 's financial instruments are as follows:

	2021	2020
	£	£
Net gains and losses		
Financial assets measured at fair value through net income/expenditure	2,712,726	(980,070)

24. Operating Leases – Lessor

Total future minimum lease payments collectable under non-cancellable operating leases:

	2021	2020
	£	£
Within one year	86,318	87,700
1-5 years	35,182	106,862
More than 5 years	0	0
Total	**121,500**	**194,562**

The Foundation lets the large and small Youell Barns, the small barn lease was renewed during 2019-20 and expires in February 2025