

HERTFORDSHIRE COMMUNITY FOUNDATION

England & Wales · Charity number 1156082

Details

Status Registered

Legal form Charitable company

Company number [08794474](#)

Registered 2014-03-10

Register [View on the Charity Commission register](#)

Contact

Address Hertfordshire Community Foundation
Foundation House
2-4 Forum Place
Fiddlebridge Lane
Hatfield
AL10 0RN

Phone 01707251351

Email office@hertscf.org.uk

Website www.hertscf.org.uk

Activities

Objects: A. THE PROMOTION OF ANY CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY IN THE COUNTY OF HERTFORDSHIRE AND ITS IMMEDIATE NEIGHBOURHOOD 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.

Activities: Hertfordshire Community Foundation has five main areas of activity: * Development and management of charitable funds * Grant making * Capacity building, community support and cross section liaison * Research * Other services relating to the development and delivery of philanthropy.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,709,109	£6,627,038	£19,915,814	16
2024-03-31	£7,736,483	£6,282,975	£16,372,364	16
2023-03-31	£6,142,270	£6,126,932	£13,828,177	20
2022-03-31	£4,802,250	£4,601,498	£14,786,410	13
2021-03-31	-	-	-	11

Trustees

Name	Role	Appointed
Augustus Philip Jude Machado		2019-09-26
Dr Allison Frances Wren		2025-12-02
Dr Syd Nadim		2023-03-29
JOHN DONALDSON SANER		2017-02-09
James Hopkins		2023-09-27
Jonathan David Arrowsmith		2021-09-28
Meenal Hasmukh Sachdev		2025-03-18
Professor Penelope Jane Carey		2024-10-02
SALLY DENISE BURTON		2018-08-09
Suzana Rose Harvey		2019-09-26
Suzanne Westlake		2019-09-26
Terence Liam Francis Douris		2017-06-01

Accounts

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2025

Company Registration No: 08794474

Charity Registration No: 1156082

HERTFORDSHIRE COMMUNITY FOUNDATION

DIRECTORS REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED 31 March 2025

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

CHAIRMAN'S STATEMENT

I am pleased to present the Trustees' Annual Report and Financial Statements for the year ended 31 March 2025. In fact, this will be my last Trustees' Report as I will step down as Chair at the AGM in September and hand over the reins to the current Deputy Chair, James Hopkins.

This year has seen significant growth in our endowment funds, mainly due to the Trust Transfer of the Crouchfield Trust, an educational fund of more than £4 million.

As well as the growth of our endowment funds to circa £19 million, the past year has seen the raising of our profile, especially to specific audiences. For example, through the continued partnership as Official Charity Patron of the Herts Chamber of Commerce, HCF's profile has been raised to the local corporate sector with manifold benefits. Equally important has been the organising of our HCF's own events for the Professional Advisors community with whom we are building mutually beneficial relationships for the long term.

All the above growth and sowing of seeds for future growth has never been more needed. Hertfordshire may well be a leafy county with prosperous and generous individuals and families as well as flourishing businesses, but it also has its fair share of social need and deprivation. So it is pleasing to report on another year of high levels of pass-through funding from Hertfordshire County Council as well as a record amount of grant giving from our own endowment revenues.

This has led to a further increase in grant making at £5.69m. HCF's total grant making, since it was founded in 1988, now exceeds £35 million.

Notable grant programmes included the fourth year of the Department for Education funded Holiday Activities and Food Programme which addresses the triple inequality of food poverty, physical inactivity and social isolation. HCF manages the grants for this programme in partnership with Hertfordshire Sports Partnership. The Community Opportunities Programme ran for another year too. This programme supports the delivery of day care services addressing loneliness and isolation in older adults and those with disabilities. In addition, we continued to deliver part of the Government's Household Support Fund supporting those for whom the cost of living crisis is affecting the most.

My thanks go to Hertfordshire County Council and to Herts Sports Partnership for partnering with HCF to deliver these programmes and much more. The continuing uncertainty about the long-term nature of such programmes, means that it remains HCF's priority to develop new relationships for endowment growth as well as seeking opportunities to grow its endowment fund through trust transfers. The outlook for this growth is positive for the coming year too.

I would like to take this opportunity to thank and pay tribute to the work of Jill Burridge who stepped down as a Trustee after serving for nine years. Jill was Chair of the Research and Impact Committee and the Staffing and Volunteers Committee. Her wise counsel will be missed by the Board.

Although there will be challenges ahead, I am pleased that HCF is on a stable footing thanks to sensible long-term planning and the hard work of an extraordinary team of dedicated staff,

Trustees, volunteers and generous donors. My gratitude goes to everyone as we seek to make Hertfordshire a great county to live, work and enjoy for all.

Henry Holland-Hibbert –

Chair of Trustees

Hertfordshire Community Foundation
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INTRODUCTION

The trustees present their report and accounts for the year ended 31 March 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and 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 the Republic of Ireland (SORP FRS 102) – effective 1 January 2019.

ADMINISTRATIVE DETAILS

Trustees, staff and long-term volunteers who served during the year and up to the date of this report were:

President

Mr Robert Voss CBE CStJ DL, Lord Lieutenant of Hertfordshire

Ambassadors

The Foundation is advised by a group of people with a strong interest in the success of our work.

Trustees

Henry Holland-Hibbert	Chair of Trustees, Audit and Communications & Development Committees, Investment Committee
Sally Burton DL	Grants Committee (Chair)
Jill Burridge	Research and Impact Committee (Chair) and Communications & Development Committees (resigned Oct 24)
Clr Terry Douris	Audit committee
Suzy Harvey DL	Grants, Research and Impact and Staffing Committees
Gus Machado	Governance and Research & Impact Committees
John Saner	Governance Committee (Chair)
Jonathan Arrowsmith	Audit Committee, Investment Committee
Suzanne Westlake	Grants Committee
Syd Nadim	Communications and Development Committee (Chair)
James Hopkins	Investment Committee
Penny Carey	Governance Committee (started Oct 24)
Meenal Hasmukh Sachdev	Trustee (Started Mar 25)

Staff

Paul Robin	Chief Executive Office
Ingrid Dos Santos	Office Manager
Helen Doubal	Head of Grants
Danielle Hood	Marketing Officer
Linn Moyster	Finance Manager
Maureen Palmer	Grants Administrator
Nicola Stokes	Grants Manager
Yvonne Green	Marketing & Events Co-ordinator (resigned Oct 24)
Emma Dalton	Grants Manager
Christy Conroy (nee Winn)	Grants Administrator
Amanda Jansen	Philanthropy Manager
Sarah Greene	Grant Manager

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Tony Kitchingman	Grant Manager
Katie Purcell	Grants Manager
Phillipa Shaw	T&D Project Co-ordinator
Katie Spencer-Shaw	Project Manager T&D
Naomi Kichenside	Marketing Co-ordinator T&D (started Oct 24)
Emma Simons	Team Administrator (started Feb 24)

Volunteers

Nick Powesland
Alex Wiltshire
Emma Simons (became staff member in Feb 24)

OBJECTIVES AND ACTIVITIES

Hertfordshire Community Foundation's (HCF) objectives, as set out in the governing document, are to benefit the community in the county of Hertfordshire and immediate area, in particular to advance education, protect mental and physical health and relieve poverty.

HCF is the natural port of call for grant making and philanthropy in the county of Hertfordshire. We work in partnership with individuals, companies and other organisations across every sector of the community to build a better life for all.

Hertfordshire is generally perceived as an affluent county. However, this hides the reality for many, and Hertfordshire has places where need and deprivation is in the worst 10% in the UK - highlighted by HCF through its independent 'Hertfordshire Matters 2020' research. Regrettably all social need highlighted in this report has been exacerbated by the ongoing impact of Covid-19 and the ongoing cost of living crisis, demonstrating the importance of local insight.

To meet local need, HCF offers a professional and flexible service to assist donors, whether individuals, companies or trusts, as well as public authorities and agencies to achieve their local charitable giving objectives.

HCF further endorses its charitable purposes for public benefit through its vision and mission statements, together with its grant making policy.

Responding to emerging need

Over the past year, HCF has maintained its focus on supporting Hertfordshire's most deprived communities and supporting those in need. Grants continue to support groups and organisations addressing the ongoing impact of the pandemic together with the cost-of-living squeeze which is having a marked impact on demand for HCF's support. HCF continues to monitor closely emerging needs

Vision and Mission

Following a strategic review in late 2024 and early 2025, HCF's Vision and Mission statements were confirmed as follows:

Our Vision: A county where generous communities work together to enhance the quality of lives in Hertfordshire.

Our Mission: To help those in most need in Hertfordshire by raising funds and connecting philanthropy to community needs and opportunities.

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This will be achieved by:

1. Understanding the needs and challenges in the county through our Hertfordshire Matters project and other independent insight, to direct funds strategically and to advise donors.
2. Better understanding the impact of HCF's activities on both beneficiaries and the wider community.
3. Generating new and repeat funding by providing professional philanthropic services to all donors through informed advice and excellent stewardship.
4. Providing an efficient, effective and supportive grant making service to address identified need.
5. Developing a stronger, effective and more sustainable voluntary sector through HCF Training & Development.
6. Increasing HCF's profile amongst its key audiences.
7. Ensuring HCF operates with financial sustainability, transparency and accountability.

Public benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and can confirm that public benefit is delivered through:

- Building endowed funds and delivering pass through funding to provide long term sustainable grant making to the local community
- Providing professional philanthropy, grant making and corporate responsibility services
- Providing a grants programme for charities and the voluntary sector across Hertfordshire
- Undertaking research to identify need in Hertfordshire to inform HCF's grants strategy, engage with donors and demonstrate knowledge of the local community

Social Investment

In April 2014 a community resource was opened in the form of the Nigel Copping Community Building in Stanstead Abbots. HCF continues to work closely with its tenant, CVS Broxbourne and East Herts, ensuring the building serves as a community asset with fully equipped meeting rooms and a community hall.

Volunteers

HCF's activities, in particular in the areas of administration and grant support, are enhanced by the help of a small team of dedicated volunteers for which we are hugely grateful. Being able to welcome volunteers back to the office in person has been a welcome development.

Grant making policy

When awarding grants, HCF aims to be equitable, inclusive, fair, transparent, professional and effective. We want to ensure that we are open and accessible to the wide range of groups and causes who could benefit while remaining true to the wishes of our donors and the needs of the county. Grant applications were reviewed by an experienced team of assessors working closely with the Grants Committee. This enables HCF to distribute funds quickly and efficiently.

The Grant Making Policy relates to the grant making activity within the Foundation and provides a clear and consistent guide and shows how we intend to operate to the highest grant making standards.

It is our intention that all grant making and fund development activities are co-ordinated to meet the needs and objectives of HCF, the individual fund holders, the grantees and the county as a whole.

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ACHIEVEMENTS AND PERFORMANCE

The Trustees are pleased to report on behalf of its donors and funders that HCF awarded 970 grants with a combined value of £5,693,821, the seventh consecutive year in which grants in excess of £1m have been awarded. The significant growth in grant making reflects a growth in pass through funds, notably from Hertfordshire County Council (in respect of the Holiday Activities Programme funded by the Department of Education and a Community Opportunities programme in support of older people) and other major funders who supported HCF during the year.

In total HCF has awarded in excess of £35m in grant aid since it was founded in 1988.

In addition to its grant making activity, HCF manages over 100 endowment funds on behalf of its donors. During the year, 6 new endowment funds were established and additionally several existing fundholders grew their funds further. HCF's endowment fund reserve stands at £18,567,338 as of March 2025. This represents a £3,355,187 increase on the year end position at 31 March 2024.

HCF also continues to support other groups directly with affordable rented office space and an accessible meeting room at Foundation House.

Grant making

HCF distributed a total of 970 grants to groups and individuals totalling £5,662,850 (2024: 1038 grants totalling £5,427,321) reaching in excess of 150,000 beneficiaries. These figures exclude HCF Training & Development grants which are detailed in the HCF Training & Development section below.

538 grants were made to 325 local groups and organisations. Total value of grants to groups was £5,554,780 with average grant of £10,325. Grants awarded include:

- £2,207,669 from the Department for Education funded, Hertfordshire County Council (HCC) Holiday Activities and Food Fund making 177 grants averaging £12,473 per grant
- £1,671,355 from Hertfordshire County Council for the Community Opportunities & Day Activities programme making 36 grants averaging £46,427 grant
- £693,926 from HCF's Foundation grants programme from named endowment funds (£564,310 excluding Children's Fund) and Passthrough funds (£204,272) making 161 grants with an average grant of £4,310
- £74,656 total grants advised by donors making 30 grants averaging £2,488
- £260,421 from major donors making 28 grants averaging £9,301
- £356,124 from HCC facilitated Household Support Fund from Department for Work and Pensions including 42 grants for the HSF programme and 38 for Community Spaces average grant size £4,445.30
- £200,000 from HCC Domestic Abuse fund 8 grants with an average grant of £25,000
- £41,127 from the HCC Vaccine Inequality Fund
- £37,551 from the HCC User Voice Fund for 5 groups with an average of £7,510
- £11,450 from the HCC Rural transport grant for 10 grants average of £1,145

432 grants were made to Individuals and families to a total value of £108,870 including:

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- £108,212 through Hertfordshire Children's Fund grants programme supporting 430 families with an average grant of £250. This involves several different endowment revenues and passthrough funds
- £558 to 2 individuals from the St Albans Care Leavers' Fund

HCF Training & Development:

Green Herts

- 4 grants awarded to support organisations taking practical steps to environmental sustainability
- 5 participants took part in Level 5 Sustainable Business manager
- 1 Carbon Literacy training with 13 attendees

Building Effectiveness

- 10 participants took part in 10month leadership development programme

Herts County Council funding:

- 42 online courses and 8 in person courses delivered to 648 participants
- Total of 103 hours training
- 225 unique organisations supported
- £30,970 awarded in Training grants to 29 organisations
- 5 organisations given 15 hours of strategic consultancy
- 6 organisations supported with strategic advice for their Trustees
- 2 conferences attended by 100 people
- 12 tutors gained Level 3 in Education and Training

FINANCIAL REVIEW

Financial position

HCF's endowment fund reserve stands at £18,567,338 as of March 2025. This represents a £3,355,187 increase on the year end position at 31 March 2024. Six new endowment funds were established during the year and additionally several existing fundholders grew their funds further.

A trust transfer of £4,105,571 was received during the year. After accounting for net investment losses, the surplus was £3,543,450 (2024: £2,544,189). Before losses, net income totalled £4,082,071 (2024: £1,453,508).

Income for grant making increased during the year with £5,693,821 being distributed in grant aid including grants for training and development. The total net assets at 31 March 2025 was £19,915,814 (2024: £16,372,364).

- Endowment funds totalled £18,567,338 at 31 March 2025 (2024: £15,212,151). Of these funds, £607,619 (2024: £607,619) represents social investment (the Nigel Copping Community Building) that could only be realised by disposing of the assets.
- Restricted funds totalled £222,006 at 31 March 2025 (2024: £362,768).
- The balance of unrestricted funds at 31 March 2025 was £1,126,470 (2024: £797,445).
- HCF's income, including new income from fund development, totalled £10,709,109 (2024: £7,736,483). This represents an increase of 38%.
- Grant making as a percentage of total expenditure is 86% at 31 March 2025 (2024: 86%; 2023: 86%; 2022: 85%, 2021: 80%, 2020: 68%)

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Operations and governance

HCF's charitable activity, taken as a percentage of overall activity, was 96% (2024: 97%). Governance costs, as a percentage of overall costs, were 1% (2024: 1%). The cost of generating income, as a percentage of total income, was 3% (2024: 3%). Trustees will continue to keep such statistics under review to ensure HCF manages its operations effectively.

Investment policy and performance

Investments are held in accordance with the powers of the trustees set out in the Articles of Association.

The investment objective is to achieve an overall return on the investments within the risk appetite set by the trustees and to provide financial returns to support stable and growing grant distribution across Hertfordshire.

The Board of Trustees meets with the Fund Managers twice yearly, with other contact between meetings as required.

Total return for the year from our investments with Rathbones was +0.3% which compares to the market benchmark for the period of +5.98%, and the peer group (ARC Charity Steady Growth Index) of +2.7%.

Total return from our investments with CCLA for the year was -1.4% which compares to the market benchmark of +6.6% and the peer group (ARC, Charity Steady Growth Index) of +2.7%.

Returns for Rathbones and CCLA for the past 4 years is shown below.

	Rathbones			CCLA		
	Return for year	Market Benchmark	Peer Group	Return	Market Benchmark	Peer Group
2025	0.3%	6.0%	2.7%	-1.4%	6.6%	2.7%
2024	10.8%	10.7%	9.4%	13.1%	16.7%	9.4%
2023	-5.6%	-2.6%	-4.0%	-2.0%	-3.9%	-4.0%
2022	5.7%	8.6%	6.3%	11.6%	11.8%	6.3%

Total return for the 8 months since inception from our investments with Cazenove was -1.6% which compares to the market benchmark for the period of +4.4%, and the peer group (ARC Charity Steady Growth Index) of +0.6%.

These figures need to be put into context. The date on which the end of year performance figures were recorded coincided with the turmoil in the markets leading up to the "Liberation Day" tariffs announced by the Trump administration in America. These measures had already increased the average U.S. tariff rate to approximately 12%, the highest level since World War II with more significant increases post 2 April 2025. Stock markets reacted very negatively to these measures, seeing stark drops in indices across the globe. These performance figures need to be read against this backdrop. Markets subsequently recovered on the news that these measures might be negotiable and would not be implemented for three months".

The Trustees look for a mix of income return and longer-term capital growth, with an overall return in line with the market average for charities, measured against a leading benchmark.

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The extent to which social, environmental or ethical considerations are taken into account in decisions that may affect the value of the funds is left to the discretion of the investment managers. The Trustees' policy is to delegate responsibility to the investment manager for the exercising of rights, (including voting rights) attaching to the investments.

HCF's assets are available and adequate to fulfil its obligations on a fund by fund basis.

Risk management

A register tracking potential major risks is monitored and reviewed at every Board of Trustees meeting and by the Governance Committee. The register identifies the risks, assesses the likelihood of an occurrence and the impact should it occur. It then identifies how the risk can be mitigated and specific actions required with, where appropriate, a timescale.

The Trustees have identified the possible financial risks as:

- a failure to control expenditure or to generate income to budget, for example investment performance
- A crash in investment markets reducing HCF's ability to draw down funds for grant making
- The risk of fraud by staff, volunteers or Trustees authorised to make payments or committing expenditure and failing to raise sufficient additional funds
- The loss of any major pass-through funding programmes

Having considered the major risks to which HCF is exposed, the Trustees believe that they have systems in place to mitigate those risks.

Reserves policy

The Trustees have considered the level of unrestricted reserves necessary to ensure the continuation of HCF's activities for the foreseeable future. This assessment is ongoing and is part of the Board of Trustees' financial risk management.

HCF's unrestricted income derives from contributions levied for the delivery of grant programmes and the management of funds, donations, sponsorship, events and gifts from both corporate and private sources. As a result, the Trustees believe that there is no justification for holding significant unrestricted reserves.

HCF's policy is to hold six months of operating costs in cash to manage the charity's liquidity.

PLANS FOR THE FUTURE

1. Develop local philanthropy and income
2. Deliver impactful grant programmes that address local need
3. Provide community leadership through research and training opportunities
4. Continue to improve operational systems to deliver service excellence

Strategic objectives

1. To consistently award grants totalling in excess of £1.5 million per year to tackle need and deprivation in Hertfordshire.

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2. To grow HCF's endowment to £25m+ by 2028 by raising HCF's profile amongst its key target audiences and maximising any future match funding opportunities.
3. To become Hertfordshire's leading provider of VCSE training, support, capacity building and insight by 2028 supporting both adult and children's service organisations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hertfordshire Community Foundation is a company limited by guarantee (08794474) and a registered charity (1156082) governed by its Memorandum and Articles of Association. The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are referred to as the trustees.

At 31 March 2025, the Foundation had 12 Trustees. The Trustees meet quarterly. Between these main Trustee meetings, business is conducted through the following committees:

- Audit and Investment
- Communications and Development
- Governance
- Grants
- Research and Impact
- Staff and Volunteers

Terms of reference for each committee set out the delegated powers. The delegated responsibility of the Governance Committee includes searching for new Trustees with appropriate skills and background, for recommendation to the Trustees. New Trustees are then appointed by a resolution passed by a majority of at least two-thirds of the existing Trustees. Prior to appointment, prospective trustees are interviewed by members of the Governance Committee and meet with the Foundation Director. New Trustees receive an information pack including the Memorandum and Articles of Association, accounts, business plan, role description and other HCF literature.

The day-to-day management of HCF is delegated to the Foundation Director. The Foundation Director reports to the Board of Trustees at quarterly meetings with one additional Board meeting used as a strategy planning session.

Pay and remuneration for staff is reviewed annually by the Staff and Volunteers Committee and a proposal is presented to the Board of Trustees for ratification.

At 31 March 2025, there were 15 part time and 2 full time members of staff. The Foundation is also assisted by a group of dedicated volunteers.

HCF is a quality accredited member of UK Community Foundations, the membership organisation that supports and promotes community foundations operating across the UK.

Pension liability

As described in note 1 the charity makes payments to a defined contribution pension scheme for its employees, paying contributions as they fall due.

Hertfordshire's charity and voluntary sector

The local voluntary sector remains under pressure as it recovers from the impact of the pandemic and as it faces significant increases in operating costs due to rising energy costs and rising inflation.

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REFERENCE AND ADMINISTRATIVE DETAILS

Foundation office and registered address

Foundation House, 2 - 4 Forum Place, Fiddlebridge Lane, Hatfield, Hertfordshire, AL10 0RN

Statutory Auditor

Mercer & Hole LLP Chartered Accountants, 72 London Road, St Albans, Hertfordshire, AL1 1NS

Bankers

National Westminster Bank plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1AB

Investment managers

- CCLA Senator House, 85 Queen Victoria Street | London | EC4V 4ET
- Rathbone Brothers Plc, 8 Finsbury Circus, London EC2M 7AZ
- Cazenove Capital, 1 London Wall Place, London, EC2Y 5AU

Solicitors

- Taylor Walton, 107 Holywell Hill, St Albans, Hertfordshire, AL1 1HQ

Statement of responsibilities of the Trustees

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this has been communicated to the auditors.

By order of the Trustees on 25 September 2025.



Henry Holland-Hibbert
Chair of Trustees



Jonathan Arrowsmith
Audit Committee Chairman

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HERTFORDSHIRE COMMUNITY FOUNDATION
FOR THE YEAR ENDED 31 March 2025

Opinion

We have audited the financial statements of Hertfordshire Community Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow 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 report², 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

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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 strategic report and 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 strategic and 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 strategic report and 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' exemption in preparing the directors' report from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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.

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2025

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:

- Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.
- We evaluated the trustees' incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate income or understate expenditure, and management bias in accounting estimates.
- Audit procedures performed by the engagement team included:
 - discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
 - evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - review correspondence with the Charity Commission for evidence of breaches;
 - identifying and testing journal entries

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/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

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.

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

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2025

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.

Jolene Upshall

**Jolene Upshall FCA
Mercer & Hole LLP
Chartered Accountants
Statutory Auditor**

Date 20/10/2025
.....
**72 London Road
St Albans
AL1 1NS**

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2025

	Notes	Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total Funds 2025	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total Funds 2024
Income from:		£	£	£	£	£	£	£	£
Donations and Legacies	2	69,554	5,536,280	4,290,631	9,896,465	133,570	5,462,108	1,394,770	6,990,448
Charitable Activities	3	62,895	134,295	-	197,190	72,857	170,890	-	243,747
Other Trading Activities	4	28,964	-	24,609	53,573	13,643	-	19,209	32,852
Investments	5	71,946	6,114	483,821	561,881	77,963	15,637	375,836	469,436
Other income		-	-	-	-	-	-	-	-
Total income		233,359	5,676,689	4,799,061	10,709,109	298,033	5,648,635	1,789,815	7,736,483
Expenditure on:									
Raising funds	6	108,401	149,018	1,784	259,203	82,594	127,064	2,589	212,247
Charitable activities	7	332,448	5,403,879	631,508	6,367,835	278,748	5,374,014	417,966	6,070,728
Total expenditure		440,849	5,552,897	633,292	6,627,038	361,342	5,501,078	420,555	6,282,975
Net gains/(losses) on investments		-	-1,143	-537,478	-538,621	-	12,200	1,078,481	1,090,681
Net income / (expenditure)		-207,490	122,649	3,628,291	3,543,450	-63,309	159,757	2,447,741	2,544,189
Transfer between funds		536,515	-263,411	-273,104	-	503,655	-292,453	-211,202	-
Net movement of funds		329,025	-140,762	3,355,187	3,543,450	440,346	-132,696	2,236,539	2,544,189
Reconciliation of funds									
Total funds brought forward		797,445	362,768	15,212,151	16,372,364	357,099	495,464	12,975,612	13,828,175
Total funds carried forward		1,126,470	222,006	18,567,338	19,915,814	797,445	362,768	15,212,151	16,372,364

Hertfordshire Community Foundation
Balance Sheet
As at 31 March 2024

Company no: 08794474

		2025 £	2024 £
Fixed Assets			
Tangible assets	15	409,041	409,110
Property Investments	16	230,081	230,081
Investments	17	17,861,952	14,295,003
Mixed motive investments	18	607,619	607,619
		19,108,693	15,541,813
Current Assets			
Debtors	19	267,940	56,557
Cash at bank and in hand		659,595	941,413
		927,535	997,970
Creditors			
Amounts falling due with one year	20	(120,414)	(167,419)
Net Current Assets		807,121	830,551
Total Assets Less Current Liabilities		19,915,814	16,372,364
Funds			
Endowment funds			
Permanent endowment		18,567,338	15,212,151
Expendable endowment			
		18,567,338	15,212,151
Restricted income funds		222,006	362,768
Unrestricted funds		1,126,470	797,445
Total Funds		19,915,814	16,372,364

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the trustees on 25 September 2025 and signed on their behalf by:



Henry Holland - Hibbert
Chairman of Trustees



Jonathan Arrowsmith
Audit Committee Chairman

Hertfordshire Community Foundation

Company no: 08794474

Balance Sheet**As at 31 March 2024**

	2025 £	2024 £
Cash flows from operating activities		
Net cash provided by/(used in) operating activities (note i)	3,284,692	1,096,480
Dividends, interest and rents from investments	561,881	469,436
Purchase of property plant and equipment	(22,820)	(24,400)
Proceeds from sale of investments	-	-
Purchase of investments	(4,105,571)	(1,174,585)
Net cash provided by/(used in) investing activities	(3,566,510)	(729,549)
Change in cash and cash equivalents in the reporting period	(281,818)	366,931
Cash and cash equivalents at beginning of the reporting period	941,413	574,482
Cash and cash equivalents at end of the reporting period (note ii)	659,595	941,413
<u>Note i</u>		
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	3,543,450	2,544,189
Adjustment for		
Depreciation	22,890	26,598
(Gains) / losses on investments	538,621	(1,090,681)
Dividends, interest and rents from investments	(561,881)	(469,436)
(Increase)/decrease in debtors	(211,383)	164,008
Increase/(decrease) in creditors	(47,005)	(78,198)
Net cash provided by/(used in) operating activities	3,284,692	1,096,480
<u>Note ii</u>		
Analysis of cash and cash equivalents		
Cash in hand	659,595	941,413
	659,595	941,413

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS102) effective 1 January 2019 (SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Ireland and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Significant accounting policies are listed below.

Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Funds structure

Endowment Funds

These represent incoming resources that are required to be retained or invested for the use of the charity's objectives.

Restricted Funds

These represent income received where restrictions on use, as determined by the donor, which are narrower than the charity's general objects

Unrestricted Funds

These represent income which can be used for the general objects of the charitable company as determined by the Board of Trustees.

Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

1. Accounting policies (continued)

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. All expenses, including support costs and governance costs are allocated or apportioned to the applicable expenditure heading as follows:

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions as well as the cost of any activities with a fundraising purpose and their associated support costs.

Expenditure on charitable activities includes the costs of activities undertaken to further the charitable aims and objectives of the charity and their associated support costs.

Other costs represent those items not falling into any other heading.

Allocation of costs

Expenditure that is directly attributable to delivery of the charities activities or raising funds is allocated to the activity to which it relates.

Support costs comprise costs incurred in support of these activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spent on each activity during the financial year.

Grant funding

Grants payable are payment made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity. Provisions for grants are made when the intention to make

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

the grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable.

1. Accounting policies (continued)

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Depreciation of tangible fixed assets

Items of equipment over £500 are capitalised and valued at historic cost. Depreciation is charged when assets are brought into use to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Computer Equipment	-	33 1/3 % p.a. on a straight line basis
Furniture and Fittings	-	20% p.a. on a straight line basis
Freehold Property	-	Over 50 years
Freehold Improvements	-	Over period remaining to 50 years

Investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid- market value.

Mixed motive investments comprise property owned by the charity but used by third parties to undertake activities that promote the charity's aims. Income generated is incidental to the main purpose of the investment rather than the purpose of the investment. Mixed motive investments are initially recognised and subsequently measured at transaction value less any impairment.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Pension Contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the year they are payable.

2. Income from donations and legacies

	2025	2024
	£	£
Donations	9,896,465	6,990,448
Other grants	-	-
Membership	-	-
	9,896,465	6,990,448

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

3. Income from charitable activities

	2025	2024
	£	£
Performance related grants	134,295	171,713
Lettings	13,059	14,034
Management fees	49,836	58,000
	197,190	243,747

Included in performance related grants is £30,970 (2024: £38,899) made by local authorities to fund the Workforce Development Programme for the voluntary sector in Hertfordshire. At 31 March 2025, the performance criteria had been fully met.

4. Income from other trading

	2025	2024
	£	£
Rent	24,609	19,209
Sponsorship	3,200	1,700
Fundraising	25,764	11,943
	53,573	32,852

5. Income from Investments

	2025	2024
	£	£
Listed Investments – within the UK	489,935	391,473
Rental income from investment property	40,911	36,994
Bank interest	31,035	40,969
	561,881	469,436

6. Expenditure on raising funds

	2025	2024
	£	£
Direct costs	30,728	13,060
Support costs	228,475	199,187
	259,203	212,247

7. Expenditure on charitable activities

Activity or Project Current Year	Direct Activity	Grants to Institutions	Grants to Individuals	Support Costs	Total 2025
	£	£	£	£	£
Grants programme (note 9)	-	5,554,780	108,070	545,689	6,208,539
HCF Training & Development	128,325	30,971	-	-	159,296
Crowdfunder	-	-	-	-	-
	128,325	5,585,751	108,070	545,689	6,367,835

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

Activity or Project Prior Year	Direct Activity £	Grants to Institutions £	Grants to Individuals £	Support Costs £	Total 2024 £
Grants programme (note 9)	-	5,274,902	152,419	471,694	5,899,015
HCF Training & Development	131,991	38,899	-	-	170,890
Crowdfunder	823	-	-	-	823
	132,814	5,313,801	152,419	471,694	6,070,728

8. Support Costs

	2025 £	2024 £
Support Costs		
Staff costs	317,204	293,244
Premises	53,766	44,397
Office costs	41,048	42,706
Depreciation	22,889	26,597
Other	154,071	94,546
	588,978	501,490
Governance Costs		
Staff costs	23,498	23,071
Trustee expenses	60	-
Audit fees	12,960	13,920
Professional and legal fees	68	3,113
Trustee indemnity insurance	763	583
Other	903	-
	38,252	40,687
Total Support and Governance costs	627,230	542,177
Allocated to activities based on staff time		
Raising funds	81,541	70,483
Charitable Activities	545,689	471,694
	627,230	542,177

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

9. Grant making

Current Year	Grants to Institutions £	Grants to Individuals £	Total 2025 £
Fairness (Deprivation)	2,810,595	108,070	2,918,665
Housing (Housing and Homelessness)	83,312		83,312
Safety (Crime and Safety)	212,900		212,900
Healthy Living (Health and Wellbeing)	2,052,152		2,052,152
Strong Communities	303,823		303,823
Work and Learning (Education and Work)	73,111		73,111
Environment	18,887		18,887
	5,554,780	108,070	5,662,850

Further details can be found in the grant making section of the trustees report and a full list of awards made can be found at: www.hertscf.org.uk.

Prior Year	Grants to institutions £	Grants to Individuals £	Total 2024 £
Fairness (Deprivation)	4,123,121	152,419	4,275,540
Housing (Housing and Homelessness)	26,167	-	26,167
Safety (Crime and Safety)	136,365	-	136,365
Healthy Living (Health and Wellbeing)	514,986	-	514,986
Strong Communities	296,567	-	296,567
Work and Learning (Education and Work)	167,674	-	167,674
Environment	10,022	-	10,022
	5,274,902	152,419	5,427,321

10. Net income for the year

This is stated after charging/(crediting):	2025 £	2024 £
Depreciation	22,889	26,597
Auditors' remuneration		
Audit	12,960	13,920

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	478,496	432,282
Social security costs	39,323	34,153
Employer's contribution to defined contribution pension schemes	41,886	37,863
	559,705	504,298

One employee received employee benefits (excluding employer pension costs) during the year of more than £70,000 (2024: one employee received employee benefits of more than £60,000)

Total employee benefits including employer's national insurance and pension contributions of the key management personnel were £94,529 (2024: £81,739).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2024: nil). No trustee received payment for professional services supplied to the charity (2024: nil)

Trustee expenses represent the payment or re-imbursment of travel and subsistence costs totalling £60 (2024: £0) incurred by 1 (2024: 0) member.

12. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2025	2024
	No:	No:
Raising funds	3.8	3.8
Charitable Activities	7.0	7.0
Support	3.3	3.2
Governance	2.0	2.0
	16.1	16

13. Related party transactions

During the year, trustees donated a total of £19,125 to the charity (2024: £25,862). £0 (2024: £0) had restrictions placed upon them.

Terry Douris, a Trustee, is a Hertfordshire County Councillor.

There were no other related party transactions to disclose for the year (2024: none).

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

14.Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

15.Tangible fixed assets

	Freehold land & buildings £	Computer equipment	Furniture & equipment	Total £
Cost:				
At beginning of year	528,250	64,181	101,007	693,438
Additions	0	0	22,820	22,820
Disposals	0	0	0	0
Transfer	0	0	0	0
At end of year	528,250	64,181	123,827	716,258
Accumulated Depreciation:				
At beginning of year	143,817	55,848	84,663	284,328
Charge for the year	8,565	5,424	8,900	22,889
Transfer	0	0	0	0
Disposals	0	0	0	0
At end of year	152,382	61,272	93,563	307,217
Net book value:				
At beginning of year	384,433	8,333	16,344	409,110
At end of year	375,868	2,909	30,264	409,041

Land with a value of £100,000 (2024: £100,000) is included within freehold property and not depreciated.

All assets are used for charitable purposes.

16.Investment Property

Part of the building was reclassified in 2024 to move the area of the building occupied by tenants to investment property from fixed assets.

	£
At 1 April 2024	230,081
At 31 March 2025	230,081

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

17. Investments

	2025	2024
	£	£
Fair value at the start of the year	14,295,003	12,029,737
Additions at cost	4,105,571	1,174,585
Disposal proceeds	4,122,830	15,073
Net gain/(loss) on change in fair value	(538,621)	1,090,681
Costs charged	(17,476)	(15,265)
Equalisation	3,757	-
Cash invested	350	88
Cash re-invested	(4,109,462)	104
Fair vale at the end of the year	17,861,952	14,295,003
Historic cost at the end of the year	14,917,230	10,811,659

	2025	2024
	£	£
Listed investments all held within the UK comprise:		
Rathbone Unit Trust Management	8,023,095	8,206,149
CCLA Charities Investment Fund	5,832,031	6,088,750
Cazenove	4,001,422	-
Cash held by brokers for re-investment	5,404	104
	17,861,952	14,295,003

18. Mixed motive investments

	2025	2024
	£	£
Freehold land and buildings		
Cost at start of the year	607,619	607,619
Additions	-	-
Cost at end of the year	607,619	607,619

This investment comprises a Community Resource Centre in East Hertfordshire funded by the Nigel Copping Fund.

19. Debtors

	2025	2024
	£	£
Trade debtors	218,238	2,901
Prepayments	18,714	23,215
Accrued income	30,988	30,441
Other Debtors	-	-
	267,940	56,557

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

20. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade Creditors	15,817	11,659
Other creditors	7,504	15,188
Accruals	20,632	25,176
Deferred income	76,461	115,396
	120,414	167,419

21. Deferred income

	2025	2024
	£	£
Balance at the beginning of the year	115,396	143,963
Amount released to income in the year	(42,704)	(138,280)
Amount deferred in the year	3,769	109,713
Balance at the end of the year	76,461	115,396

22. Analysis of net assets between funds

Current Year	Unrestricted	Restricted	Endowment	Total 2025
	£	£	£	£
Tangible fixed assets	33,173	-	375,868	409,041
Investments	-	-	17,861,952	17,861,952
Investment Property	-	-	230,081	230,081
Mixed motive investments	-	-	607,619	607,619
Net current assets	1,093,297	222,006	(508,182)	807,121
Net assets at the end of the year	1,126,470	222,006	18,567,338	19,915,814

Prior Year	Unrestricted	Restricted	Endowment	Total 2024
	£	£	£	£
Tangible fixed assets	24,677	-	384,433	409,110
Investments	-	-	14,295,003	14,295,003
Investment Property	-	-	230,081	230,081
Mixed motive investments	-	-	607,619	607,619
Net current assets	772,768	362,768	(304,985)	830,551
Net assets at the end of the year	797,445	362,768	15,212,151	16,372,364

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

23. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	2025	2024
	£	£
Less than one year	167	275
1-5 years	-	137
	167	142

24. Contingent Assets

HCF has been informed that it is a beneficiary of a legacy under a will. However, as at the date of approval of these financial statements, no formal confirmation of the amount receivable has been received. As such, no income or asset has been recognised in these accounts in respect of the legacy.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

25. Movement in funds

Current Year	As at 1 April 2024 £	Income £	Expenditure £	Gains or (losses)	Transfers	As at 31 March 2025 £
Endowment funds						
General	5,176,460	4,512,795	(295,083)	(211,049)	(94,961)	9,088,162
Grassroots	3,523,097	103,691	(120,511)	(69,711)	(54,244)	3,382,322
Communities First Funds	5,898,080	182,575	(209,133)	(256,718)	(123,899)	5,490,905
Property	614,514	-	(8,565)	-	-	605,949
	15,212,151	4,799,061	(633,292)	(537,478)	(273,104)	18,567,338
Restricted funds						
Restricted Income Funds	362,768	5,517,393	(5,393,601)	(1,143)	(263,411)	222,006
HCF Training & Development	-	159,296	(159,296)	-	-	0
	362,768	5,676,689	(5,552,897)	(1,143)	(263,411)	222,006
Unrestricted Funds						
General fund	706,026	171,684	(331,991)	-	534,689	1,080,408
Love and Winter	91,419	61,675	(108,858)	-	1,826	46,062
	797,445	233,359	(440,849)	-	536,515	1,126,470
Total Funds	16,372,364	10,709,109	(6,627,038)	(538,621)	-	19,915,814

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

Accounts

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

Company Registration No: 08794474

Charity Registration No: 1156082

HERTFORDSHIRE COMMUNITY FOUNDATION

DIRECTORS REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED 31 March 2024

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024
CHAIRMAN'S STATEMENT

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024
CHAIRMAN'S STATEMENT

I am pleased to present the Trustee's Annual Report and Financial Statements for the year ended 31 March 2024. It has been a year of change and growth at the Foundation. After nearly six years at the helm, Helen Gray left us for a new challenge within the charity sector. On behalf of all the Trustees, we thank her for her dedication and achievements at HCF.

We soon welcomed Paul Robin as HCF's new CEO. Paul's commercial and charity background stands him in good stead to lead the HCF team and grow both the endowment fund and awareness of HCF throughout the county.

HCF has continued to manage high levels of pass-through funding from Hertfordshire County Council. This together with our own endowment revenues has led to a further increase in grant making at £5.46m. HCF's total grant making, since it was founded in 1988, now exceeds £30 million.

Notable grant programmes included the third year of the Department for Education funded Holiday Activities and Food Programme which addresses the triple inequality of food poverty, physical inactivity and social isolation. HCF manages the grants for this programme in partnership with Hertfordshire Sports Partnership. The Community Opportunities Programme ran for a third year which supports the delivery of day care services addressing loneliness and isolation to older adults and those with disabilities. In addition, we delivered a significant programme across the county to help address the cost of living crisis, as part of the Government's Household Support Fund. My thanks go to Hertfordshire County Council and to Herts Sports Partnership for partnering with HCF to deliver these programmes and much more. The future of the national programmes providing current high levels of funding via HCC is uncertain and unlikely to be sustainable in the medium term. It remains a priority for HCF to develop new relationships for endowment growth as well as seeking opportunities to grow its endowment fund through trust transfers. With last year's appointment of a Head of Philanthropy along with the new CEO's commercial background, we have seen new funds set up and a couple of trust transfer happen. The outlook for this growth is positive for the coming year too. We are particularly pleased to have acquired the Hertfordshire Educational Fund as a trust transfer, which is providing a valuable funding stream to support disadvantaged young people.

Sadly, the social need in the county continues to grow across all themes and populations. HCF has received a significant increase in applications in the past year across all programmes. With the continuing cost of living crisis, the long-term impact of the pandemic and charities facing growing financial pressures, there is no sign of this abating.

I would also like to extend my thanks to Anna Bates and Simon Tilley who stepped down as Trustees. Anna was a key member of the Grants Committee and Simon provided valuable support and expertise relating to our financial management.

HCF's ability to make an impact in the county is the result of an extraordinary team effort by a group of dedicated staff, Trustees, volunteers and generous donors. My gratitude goes to everyone as we seek to make Hertfordshire a great county to live, work and enjoy.

Henry Holland-Hibbert –
Chair of Trustees

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

INTRODUCTION

The trustees present their report and accounts for the year ended 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and 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 the Republic of Ireland (SORP FRS 102) – effective 1 January 2019.

ADMINISTRATIVE DETAILS

Trustees, staff and long-term volunteers who served during the year and up to the date of this report were:

President

Mr Robert Voss CBE CStJ DL, Lord Lieutenant of Hertfordshire

Ambassadors

The Foundation is advised by a group of people with a strong interest in the success of our work.

Trustees

Henry Holland-Hibbert	Chair of Trustees, Audit and Communications & Development Committees
Anna Bates	Grants Committee (resigned Apr 23)
Sally Burton DL	Grants Committee (Chair)
Jill Burridge	Research and Impact Committee (Chair) and Communications & Development Committees
CLlr Terry Douris	Audit committee
Suzy Harvey DL	Grants, Research and Impact and Staffing Committees
Gus Machado	Governance and Research & Impact Committees
John Saner	Governance Committee (Chair)
Simon Tilley	Audit Committee (Chair) (resigned Sept 23)
Jonathan Arrowsmith	Audit Committee
Suzanne Westlake	Grants Committee
Syd Nadim	Communications and Development Committee (Chair)
James Hopkins	Investment Committee (appointed Sept 23)

Staff

Helen Gray	Foundation Director (resigned Apr 23)
Paul Robin	Chief Executive Office (appointed May 23)
Georgina Bawden	Grants Manager (resigned May 23)
Ingrid Dos Santos	Office Manager
Helen Doubal	Head of Grants
Willow Humphries	Training and Development Manager (resigned Dec 23)
Danielle Hood	Marketing Officer
Linn Moyster	Finance Manager
Maureen Palmer	Grants Administrator
Ana Siewniak	Project Coordinator (HCF Training & Development) (resigned June 23)
Nicola Stokes	Grants Manager
Yvonne Green	Marketing & Events Co-ordinator
Emma Dalton	Grants Manager

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

Christy Conroy (nee Winn)	Grants Administrator
Amanda Jansen	Philanthropy Manager
Sarah Greene	Grant Manager
Tony Kitchingman	Grant Manager
Katie Purcell	Grants Manager (appointed Aug 23)
Phillipa Shaw	T&D Project Co-ordinator (appointed Aug 23)
Katie Spencer-Shaw	Project Manager T&D (appointed Feb 23)

Volunteers

Nick Powesland
Alex Wiltshire
Emma Simons

OBJECTIVES AND ACTIVITIES

Hertfordshire Community Foundation's (HCF) objectives, as set out in the governing document, are to benefit the community in the county of Hertfordshire and immediate area, in particular to advance education, protect mental and physical health and relieve poverty.

HCF is the natural port of call for grant making and philanthropy in the county of Hertfordshire. We work in partnership with individuals, companies and other organisations across every sector of the community to build a better life for all.

Hertfordshire is generally perceived as an affluent county. However, this hides the reality for many, and Hertfordshire has places where need and deprivation is in the worst 10% in the UK - highlighted by HCF through its independent 'Hertfordshire Matters 2020' research. Regrettably all social need highlighted in this report has been exacerbated by the ongoing impact of Covid-19 and the ongoing cost of living crisis, demonstrating the importance of local insight.

To meet local need, HCF offers a professional and flexible service to assist donors, whether individuals, companies or trusts, as well as public authorities and agencies to achieve their local charitable giving objectives.

HCF further endorses its charitable purposes for public benefit through its vision and mission statements, together with its grant making policy.

Responding to emerging need

Over the past year, HCF has maintained its focus on supporting Hertfordshire's most deprived communities and supporting those in need. Grants continue to support groups and organisations addressing the ongoing impact of the pandemic together with the cost-of-living squeeze which is having a marked impact on demand for HCF's support. HCF continues to monitor closely emerging needs

Vision and Mission

Following a strategic review in February 2022, HCF's Vision and Mission statements were confirmed as follows:

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Hertfordshire Community Foundation
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For the year ended 31 March 2024

Company Registration No: 08794474

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HERTFORDSHIRE COMMUNITY FOUNDATION

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

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CHAIRMAN'S STATEMENT

Hertfordshire Community Foundation
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Hertfordshire Community Foundation
Statement of Financial Activity (Incorporating an income and expenditure account)
For the year ended 31 March 2024

INTRODUCTION

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HCF is the natural port of call for grant making and philanthropy in the county of Hertfordshire. We work in partnership with individuals, companies and other organisations across every sector of the community to build a better life for all.

Hertfordshire is generally perceived as an affluent county. However, this hides the reality for many, and Hertfordshire has places where need and deprivation is in the worst 10% in the UK - highlighted by HCF through its independent 'Hertfordshire Matters 2020' research. Regrettably all social need highlighted in this report has been exacerbated by the ongoing impact of Covid-19 and the ongoing cost of living crisis, demonstrating the importance of local insight.

To meet local need, HCF offers a professional and flexible service to assist donors, whether individuals, companies or trusts, as well as public authorities and agencies to achieve their local charitable giving objectives.

HCF further endorses its charitable purposes for public benefit through its vision and mission statements, together with its grant making policy.

Responding to emerging need

Over the past year, HCF has maintained its focus on supporting Hertfordshire's most deprived communities and supporting those in need. Grants continue to support groups and organisations addressing the ongoing impact of the pandemic together with the cost-of-living squeeze which is having a marked impact on demand for HCF's support. HCF continues to monitor closely emerging needs

Vision and Mission

Following a strategic review in February 2022, HCF's Vision and Mission statements were confirmed as follows:

Our Vision: A county where generous communities work together to enhance the quality of lives in Hertfordshire.

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

Our Mission: To help those in most need in Hertfordshire by raising funds and connecting philanthropy to community needs and opportunities.

This will be achieved by:

1. Understanding the needs and challenges in the county through our Hertfordshire Matters project and other independent insight, to direct funds strategically and to advise donors.
2. Better understanding the impact of HCF's activities on both beneficiaries and the wider community.
3. Generating new and repeat funding by providing professional philanthropic services to all donors through informed advice and excellent stewardship.
4. Proving an efficient, effective and supportive grant making service to address identified need.
5. Developing a stronger, effective and more sustainable voluntary sector through HCF Training & Development.
6. Increasing HCF's profile amongst its key audiences.
7. Ensuring HCF operates with financial sustainability, transparency and accountability.

Public benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and can confirm that public benefit is delivered through:

- Building endowed funds and delivering pass through funding to provide long term sustainable grant making to the local community
- Providing professional philanthropy, grant making and corporate responsibility services
- Providing a grants programme for charities and the voluntary sector across Hertfordshire
- Undertaking research to identify need in Hertfordshire to inform HCF's grants strategy, engage with donors and demonstrate knowledge of the local community

Social Investment

In April 2014 a community resource was opened in the form of the Nigel Copping Community Building in Stanstead Abbots. HCF continues to work closely with its tenant, CVS Broxbourne and East Herts, ensuring the building serves as a community asset with fully equipped meeting rooms and a community hall.

Volunteers

HCF's activities, in particular in the areas of administration and grant support, are enhanced by the help of a small team of dedicated volunteers for which we are hugely grateful. Being able to welcome volunteers back to the office in person has been a welcome development.

Grant making policy

When awarding grants, HCF aims to be equitable, inclusive, fair, transparent, professional and effective. We want to ensure that we are open and accessible to the wide range of groups and causes who could benefit while remaining true to the wishes of our donors and the needs of the county. Grant applications were reviewed by an experienced team of assessors working closely with the Grants Committee. This enables HCF to distribute funds quickly and efficiently.

The Grant Making Policy relates to the grant making activity within the Foundation and provides a clear and consistent guide and shows how we intend to operate to the highest grant making standards.

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

It is our intention that all grant making and fund development activities are co-ordinated to meet the needs and objectives of HCF, the individual fund holders, the grantees and the county as a whole.

ACHIEVEMENTS AND PERFORMANCE

The Trustees are pleased to report on behalf of its donors and funders that HCF awarded 1038 grants with a combined value of £5,427,321, the sixth consecutive year in which grants in excess of £1m have been awarded. The significant growth in grant making reflects a growth in pass through funds, notably from Hertfordshire County Council (in respect of the Holiday Activities Programme funded by the Department of Education and a Community Opportunities programme in support of older people), The Police and Crime Commissioner and other major funders who supported HCF during the year.

In total HCF has awarded in excess of £30m in grant aid since it was founded in 1988.

In addition to its grant making activity, HCF manages over 100 endowment funds on behalf of its donors. During the year, 6 new endowment funds were established during the year and additionally several existing fundholders grew their funds further. HCF's endowment fund reserve stands at £ 15,212,151 as of March 2024. This represents a £2,236,539 increase on the year end position at 31 March 2023.

HCF also continues to support other groups directly with affordable rented office space and an accessible meeting room at Foundation House.

Grant making

HCF distributed a total of 1038 grants to groups and individuals totalling £5,427,321 (2023: 984 grants totalling £5,211,664) reaching in excess of 130,000 beneficiaries. These figures exclude HCF Training & Development grants which are detailed in the HCF Training & Development section below.

547 grants were made to 327 local groups and organisations. Grants awarded include:

- £2,234,136 from the Department for Education funded, Hertfordshire County Council (HCC) Holiday Activities and Food Fund making 208 grants averaging £10,741 per grant.
- £1,552,705 from Hertfordshire County Council for the Community Opportunities and Day Activities programme making 34 grants averaging £45,668 per grant.
- £352,430 from HCF's named endowment funds (excluding Children's Fund) making 171 (2023:107) grants with an average grant of £2,061
- £326,803 from major donors making 26 grants averaging £12,596
- £120,277 total grants advised by donors to 26 groups average grant £4,626
- £132,717 total grants from HCF passthrough funds supporting 38 groups
- £333,190 from HCC facilitated Household Support Fund from Department for Work and Pensions 75 grants with an average grant of £4,442
- £65,506 from HCC Community Spaces Fund – Warm and Cool Spaces 38 grants with an average value of £1,724

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

- £82,345 from the PCC Action Fund for Hertfordshire, supporting 19 groups with an average grant of £4,334.
- £63,000 from the HCC Vaccine Inequality Fund supporting 2 groups
- £33,448 from the HCC User Voice Fund for 6 groups with an average of £5,545

491 grants were made to Individuals and families to a total value of £152,419 including:

- £144,864 through Hertfordshire Children's Fund grants programme supporting 473 families with an average grant of £306
- £7,554.80 to 18 individuals from the St Albans Care Leavers' Fund

HCF Training & Development:

- 41 online courses and 13 in person courses delivered to 895 participants. A total of 133.5 hours training hours across 26 topics with participants from 216 unique organisations
- 23 tutors gained Level 3 Award in Education and Training:
- £31,133 awarded to 31 organisations
- Advice and Guidance:
 - 23 organisations provided with grants assessments.
 - 3 organisations with Training needs analysis
- 5 organisations supported with 22 hours of tailored consultancy
- Better Boards – 9 organisations supported with advisory support for their Trustees
- 2 Training conferences attended by 33 for Your Workforce Your Future and 56 for Trustees conference

FINANCIAL REVIEW

Financial position

HCF's endowment fund reserve stands at £15,212,151 as of March 2024. This represents a £2,236,539 increase on the year end position at 31 March 2023. Six new endowment funds were established during the year and additionally several existing fundholders grew their funds further.

This year's accounts show a surplus of £2,544,189 (2023: £854,642). This includes the net gain on investments. Net income prior to gains on investments was £1,453,508 (2023: £15,338 surplus). Of this surplus £1,174,585 represents donations in the form of trust transfers.

Income for grant making increased significantly during the year with £5,427,321 being distributed in grant aid including grants for training and development. The total net assets at 31 March 2024 was £16,372,364 (2023: £13,282,177).

- Endowment funds totalled £15,212,151 at 31 March 2024 (2023: £12,975,612). Of these funds, £607,619 (2023: £607,619) represents social investment (the Nigel Copping Community Building) that could only be realised by disposing of the assets.
- Restricted funds totalled £362,768 at 31 March 2024 (2023: £495,464).
- The balance of unrestricted funds at 31 March 2024 was £797,445 (2023: £357,099).

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

- HCF's income, including new income from fund development, totalled £7,736,483 (2023: £6,142,270). This represents an increase of 26%
- Grant making as a percentage of total expenditure is 86% at 31 March 2024 (2023: 86%; 2022: 85%, 2021: 80%, 2020: 68%, 2019: 69%)

Operations and governance

HCF's charitable activity, taken as a percentage of overall activity, was 96.6% (2023: 96.8%). Governance costs, as a percentage of overall costs, were 0.65% (2023: 0.57%). The cost of generating income, as a percentage of total income, was 2.74% (2023: 3.14%). Trustees will continue to keep such statistics under review to ensure HCF manages its operations effectively.

Investment policy and performance

Investments are held in accordance with the powers of the trustees set out in the Articles of Association.

The investment objective is to achieve an overall return on the investments within the risk appetite set by the trustees and to provide financial returns to support stable and growing grant distribution across Hertfordshire.

The Board of Trustees meets with the Fund Managers twice yearly, with other contact between meetings as required.

Total return for the year from our investments with Rathbones was +10.8% which compares to the market benchmark of +10.7%, and the peer group (ARC Charity Steady Growth Index) of +9.4%.

Total return (net) from our investments with CCLA for the year was 13.11% which compares to the market benchmark of 16.73%, and the peer group (ARC, Charity Steady Growth Index) of 9.38%.

The Trustees look for a mix of income return and longer-term capital growth, with an overall return in line with the market average for charities, measured against a leading benchmark.

The extent to which social, environmental or ethical considerations are taken into account in decisions that may affect the value of the funds is left to the discretion of the investment managers. The Trustees' policy is to delegate responsibility to the investment manager for the exercising of rights, (including voting rights) attaching to the investments.

More recently HCF has elected to transfer funds held by CCLA from the CCLA Charity Fund to the similarly performing CCLA Ethical Fund. This decision reflects HCF's commitment to supporting environmental matters and its desire to be socially conscious.

HCF's assets are available and adequate to fulfil its obligations on a fund by fund basis.

Risk management

A register tracking potential major risks is monitored and reviewed at every Board of Trustees meeting and by the Governance Committee. The register identifies the risks, assesses the likelihood of an occurrence and the impact should it occur. It then identifies how the risk can be mitigated and specific actions required with, where appropriate, a timescale.

Hertfordshire Community Foundation

Statement of Financial Activity (incorporating an income and expenditure account)

For the year ended 31 March 2024

The Trustees have identified the possible financial risks as:

- a failure to control expenditure or to generate income to budget, for example investment performance
- A crash in investment markets reducing HCF's ability to draw down funds for grant making
- The risk of fraud by staff, volunteers or Trustees authorised to make payments or committing expenditure and failing to raise sufficient additional funds
- The loss of any major pass-through funding programmes

Having considered the major risks to which HCF is exposed, the Trustees believe that they have systems in place to mitigate those risks.

Reserves policy

The Trustees have considered the level of unrestricted reserves necessary to ensure the continuation of HCF's activities for the foreseeable future. This assessment is ongoing and is part of the Board of Trustees' financial risk management.

HCF's unrestricted income derives from contributions levied for the delivery of grant programmes and the management of funds, donations, sponsorship, events and gifts from both corporate and private sources. As a result, the Trustees believe that there is no justification for holding significant unrestricted reserves.

HCF's policy is to hold six months of operating costs in cash to manage the charity's liquidity.

PLANS FOR THE FUTURE

1. Develop local philanthropy and income
2. Deliver impactful grant programmes that address local need
3. Provide community leadership through research and training opportunities
4. Continue to improve operational systems to deliver service excellence

Strategic objectives

1. To consistently award grants totalling in excess of £1.5 million per year by 2025 to tackle need and deprivation in Hertfordshire.
2. To grow HCF's endowment to £15m+ by 2025 by raising HCF's profile amongst its key target audiences and maximising any future match funding opportunities.
3. To become Hertfordshire's leading provider of VCSE training, support, capacity building and insight 603 by 2025 supporting both adult and children's service organisations.

The strategic objectives are under review and will be updated and published in 2025.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hertfordshire Community Foundation is a company limited by guarantee (8794474) and a registered charity (1156082) governed by its Memorandum and Articles of Association. The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are referred to as the trustees.

At 31 March 2024, the Foundation had 11 Trustees. The Trustees meet quarterly. Between these main

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

Trustee meetings, business is conducted through the following committees:

- Audit and Investment
- Communications and Development
- Governance
- Grants
- Research and Impact
- Staff and Volunteers

Terms of reference for each committee set out the delegated powers. The delegated responsibility of the Governance Committee includes searching for new Trustees with appropriate skills and background, for recommendation to the Trustees. New Trustees are then appointed by a resolution passed by a majority of at least two-thirds of the existing Trustees. Prior to appointment, prospective trustees are interviewed by members of the Governance Committee and meet with the Foundation Director. New Trustees receive an information pack including the Memorandum and Articles of Association, accounts, business plan, role description and other HCF literature.

The day-to-day management of HCF is delegated to the Foundation Director. The Foundation Director reports to the Board of Trustees at quarterly meetings with one additional Board meeting used as a strategy planning session.

Pay and remuneration for staff is reviewed annually by the Staff and Volunteers Committee and a proposal is presented to the Board of Trustees for ratification.

At 31 March 2024, there were 15 part time and 1 full time members of staff. The Foundation is also assisted by a group of dedicated volunteers.

HCF is a quality accredited member of UK Community Foundations, the membership organisation that supports and promotes community foundations operating across the UK.

Pension liability

As described in note 1 the charity makes payments to a defined contribution pension scheme for its employees, paying contributions as they fall due.

Hertfordshire's charity and voluntary sector

The local voluntary sector remains under pressure as it recovers from the impact of the pandemic and as it faces significant increases in operating costs due to rising energy costs and rising inflation.

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REFERENCE AND ADMINISTRATIVE DETAILS

Foundation office and registered address

Foundation House, 2 - 4 Forum Place, Fiddlebridge Lane, Hatfield, Hertfordshire, AL10 0RN

Statutory Auditor

Mercer & Hole LLP Chartered Accountants, 72 London Road, St Albans, Hertfordshire, AL1 1NS

Bankers

National Westminster Bank plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1AB

Investment managers

- CCLA Senator House | 85 Queen Victoria Street | London | EC4V 4ET
- Rathbone Brothers Plc, 8 Finsbury Circus, London EC2M 7AZ

Solicitors

- Taylor Walton, 107 Holywell Hill, St Albans, Hertfordshire, AL1 1HQ

Statement of responsibilities of the Trustees

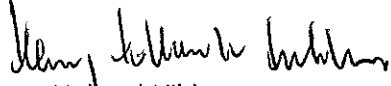
Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

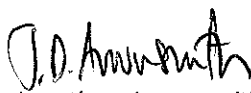
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this has been communicated to the auditors.

By order of the Trustees on 2 October 2024.


Henry Holland-Hibbert
Chair of Trustees


Jonathan Arrowsmith
Audit Committee Chairman

Hertfordshire Community Foundation
Statement of Financial Activity (Incorporating an income and expenditure account)
For the year ended 31 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HERTFORDSHIRE COMMUNITY FOUNDATION
FOR THE YEAR ENDED 31 March 2024

Opinion

We have audited the financial statements of Hertfordshire Community Foundation (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow 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 report², 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

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

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 strategic report and 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 strategic and 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 strategic report and 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' exemption in preparing the directors' report from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

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:

- Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.
- We evaluated the trustees' incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate income or understate expenditure, and management bias in accounting estimates.
- Audit procedures performed by the engagement team included:
 - discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
 - evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - review correspondence with the Charity Commission for evidence of breaches;
 - identifying and testing journal entries

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/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

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.

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

Hertfordshire Community Foundation
Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2024

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.

Jolene Upshall FCA
Mercer & Hole LLP
Chartered Accountants
Statutory Auditor

Date
72 London Road
St Albans
AL1 1NS

Hertfordshire Community Foundation

Statement of Financial Activity (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Notes	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total Funds 2024	Unrestricted funds 2023	Restricted funds 2023	Endowment funds 2023	Total Funds 2023
		£	£	£	£	£	£	£	£
Income from:									
Donations and Legacies	2	133,570	5,462,108	1,394,770	6,990,448	109,934	4,798,174	453,796	5,361,904
Charitable Activities	3	72,857	170,890	-	243,747	73,061	290,290	-	363,351
Other Trading Activities	4	13,643	-	19,209	32,852	67,750	-	17,712	85,462
Investments	5	77,963	15,637	375,836	469,436	5,967	1,748	323,838	331,553
Other income		-	-	-	-	-	-	-	-
Total income		298,033	5,648,635	1,789,815	7,736,483	256,712	5,090,212	795,346	6,142,270
Expenditure on:									
Raising funds	6	82,594	127,064	2,589	212,247	96,666	93,230	3,038	192,934
Charitable activities	7	278,748	5,374,014	417,966	6,070,728	370,934	5,169,374	393,690	5,933,998
Total expenditure		361,342	5,501,078	420,555	6,282,975	467,600	5,262,604	396,728	6,126,932
Net gains/(losses) on investments		-	12,200	1,078,481	1,090,681	-	(15,843)	(854,136)	(869,979)
Net income / (expenditure)		(63,309)	159,757	2,447,741	2,544,189	(210,888)	(188,235)	(455,518)	(854,641)
Transfer between funds		503,655	(292,453)	(211,202)	-	485,645	(226,750)	(258,896)	(1)
Net movement of funds		440,346	(132,696)	2,236,539	2,544,189	274,757	(414,985)	(714,414)	(854,642)
Reconciliation of funds									
Total funds brought forward		357,099	495,464	12,975,612	13,828,177	82,342	910,449	13,690,026	14,682,819
Total funds carried forward		797,445	362,768	15,212,151	16,372,364	357,099	495,464	12,975,612	13,828,177

Hertfordshire Community Foundation

Company no: 08794474

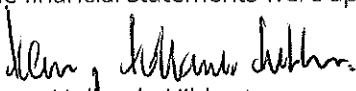
Balance Sheet**As at 31 March 2024**

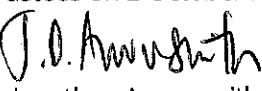
		2024	2023
	note	£	£
Fixed assets			
Tangible assets	15	409,110	641,389
Property Investment	16	230,081	-
Investments	17	14,295,003	12,029,737
Mixed motive investments	18	607,619	607,619
		15,541,813	13,278,745
Current assets			
Debtors	19	56,557	220,565
Cash at bank and in hand		941,413	574,481
		997,970	795,046
Liabilities			
Creditors: amounts due within one year	20	(167,419)	(245,617)
Net current assets		830,551	549,429
Total net assets		16,372,364	13,828,177
The funds of the charity	24		
Endowment funds			
General		11,728,808	10,582,950
Revaluation reserve		3,483,343	2,392,662
		15,212,151	12,975,612
Restricted income funds		362,768	495,464
Unrestricted funds		797,445	357,099
		16,372,364	13,828,177

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the trustees on 2 October 2024 and signed on their behalf by:


Henry Holland - Hibbert
Chairman of Trustees


Jonathan Arrowsmith
Audit Committee Chairman

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (note i)	1,096,480	(450,130)
Dividends, interest and rents from investments	469,436	331,553
Purchase of property plant and equipment	(24,400)	(5,033)
Proceeds from sale of investments	-	-
Purchase of investments	(1,174,585)	(166,196)
Net cash provided by (used in) investing activities	(729,549)	160,324
Change in cash and cash equivalents in the reporting period	366,931	(289,806)
Cash and cash equivalents at beginning of the reporting period	574,482	864,288
Cash and cash equivalents at end of the reporting period (note ii)	941,413	574,482

Note i

Net income/ (expenditure) for the reporting period (as per the Statement of Financial Activities)	2,544,189	(854,642)
Adjustment for:		
Depreciation	26,598	22,378
(Gains)/Losses on investments	(1,090,681)	869,979
Dividends, interest and rents from investments	(469,436)	(331,553)
(Increase)/decrease in debtors	164,008	(201,755)
Increase/(decrease) in creditors	(78,198)	45,463
Net cash provided by (used in) operating activities	1,096,480	(450,130)

Note ii

Analysis of cash and cash equivalents		
Cash in hand	941,413	574,482
	941,413	574,482

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS102) effective 1 January 2019 (SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Ireland and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Significant accounting policies are listed below.

Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Funds structure

Endowment Funds

These represent incoming resources that are required to be retained or invested for the use of the charity's objectives.

Restricted Funds

These represent income received where restrictions on use, as determined by the donor, which are narrower than the charity's general objects

Unrestricted Funds

These represent income which can be used for the general objects of the charitable company as determined by the Board of Trustees.

Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

1. Accounting policies (continued)

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. All expenses, including support costs and governance costs are allocated or apportioned to the applicable expenditure heading as follows:

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions as well as the cost of any activities with a fundraising purpose and their associated support costs.

Expenditure on charitable activities includes the costs of activities undertaken to further the charitable aims and objectives of the charity and their associated support costs.

Other costs represent those items not falling into any other heading.

Allocation of costs

Expenditure that is directly attributable to delivery of the charities activities or raising funds is allocated to the activity to which it relates.

Support costs comprise costs incurred in support of these activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spent on each activity during the financial year.

Grant funding

Grants payable are payment made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity. Provisions for grants are made when the intention to make the grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

1. Accounting policies (continued)

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Depreciation of tangible fixed assets

Items of equipment over £500 are capitalised and valued at historic cost. Depreciation is charged when assets are brought into use to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Computer Equipment	-	33 1/3 % p.a. on a straight line basis
Furniture and Fittings	-	20% p.a. on a straight line basis
Freehold Property	-	Over 50 years
Freehold Improvements	-	Over period remaining to 50 years

Investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid- market value.

Mixed motive investments comprise property owned by the charity but used by third parties to undertake activities that promote the charity's aims. Income generated is incidental to the main purpose of the investment rather than the purpose of the investment. Mixed motive investments are initially recognised and subsequently measured at transaction value less any impairment.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Pension Contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the year they are payable.

2. Income from donations and legacies

	2024	2023
	£	£
Donations	6,990,448	5,361,904
Other grants	-	-
Membership	-	-
	6,990,448	5,361,904

3. Income from charitable activities

	2024	2023
	£	£
Performance related grants	171,713	290,290
Lettings	14,034	13,998
Management fees	58,000	59,063
	243,747	363,351

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

Included in performance related grants is £38,899 (2023: £36,246) made by local authorities to fund the Workforce Development Programme for the voluntary sector in Hertfordshire. At 31 March 2024, the performance criteria had been fully met.

HCF continued to manage funds on Crowdfunder Hertfordshire platform on behalf of HCC. In 2023-24 £14,341 was distributed via the Sustainable Hertfordshire Fund, supporting 8 projects and £9,120 was distributed via the Community Innovation Fund, supporting 4 projects.

4. Income from other trading

	2024	2023
	£	£
Rent	19,209	52,088
Fundraising	1,700	33,374
Sponsorship	11,943	-
	32,852	85,462

5. Income from Investments

	2024	2023
	£	£
Listed Investments – within the UK	391,473	325,586
Rental income from investment property	36,994	-
Bank interest	40,969	5,967
	469,436	331,553

6. Expenditure on raising funds

	2024	2023
	£	£
Direct costs	13,060	30,697
Support costs	199,187	162,237
	212,247	192,934

7. Expenditure on charitable activities

Activity or Project	Direct	Grants to	Grants to	Support	Total
Current Year	Activity	Institutions	Individuals	Costs	2024
	£	£	£	£	£
Grants programme (note 9)	-	5,274,902	152,419	471,694	5,899,015
HCF Training & Development	131,991	38,899	-	-	170,890
Crowdfunder	823	-	-	-	823
	132,814	5,313,801	152,419	471,694	6,070,728

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

Prior Year	Direct Activity £	Grant Institutions £	Grants Individuals £	Support Costs £	Total 2023 £
Grants programme (note 9)	-	5,092,503	119,161	441,124	5,652,788
HCF Training & Development	208,964	36,246	-	-	245,210
Crowdfunder	36,000	-	-	-	36,000
	244,964	5,128,749	119,161	441,124	5,933,998

8. Support Costs

	2024 £	2023 £
<i>Support</i>		
Staff Costs	293,244	258,453
Premises	44,397	61,909
Office costs	42,706	43,836
Depreciation	26,597	22,379
Other	94,546	85,475
	501,490	472,052
	£	£
<i>Governance</i>		
Staff costs	23,071	21,365
Trustee expenses	-	576
Audit fees	13,920	11,340
Professional and legal fees	3,113	775
Trustee indemnity insurance	583	931
Other	-	-
	40,687	34,987
Total	542,177	507,039
Allocated to activities: based on staff time		
Raising funds	70,483	65,915
Charitable Activities	471,694	441,124
	542,177	507,039

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

9. Grant making

Current Year

Current Year	Grants to Institutions £	Grants to Individuals £	Total 2024 £
Fairness (Deprivation)	4,123,121	152,419	4,275,540
Housing (Housing and Homelessness)	26,167	-	26,167
Safety (Crime and Safety)	136,365	-	136,365
Healthy Living (Health and Wellbeing)	514,986	-	514,986
Strong Communities	296,567	-	296,567
Work and Learning (Education and Work)	167,674	-	167,674
Environment	10,022	-	10,022
	5,274,902	152,419	5,427,321

Further details can be found in the grant making section of the trustees report and a full list of awards made can be found at: www.hertscf.org.uk.

Prior Year	Grants to Institutions £	Grants to Individuals £	Total 2023 £
Fairness (Deprivation)	2,620,395	119,161	2,739,556
Housing (Housing and Homelessness)	65,587	-	65,587
Safety (Crime and Safety)	242,166	-	242,166
Healthy Living (Health and Wellbeing)	852,625	-	852,625
Strong Communities	963,617	-	963,617
Work and Learning (Education and Work)	221,985	-	221,985
Environment	80,722	-	80,722
Emergency Coronavirus Response	45,406	-	45,406
	5,092,503	119,161	5,211,664

10. Net income for the year

This is stated after charging/(crediting):

	2024 £	2023
Depreciation	26,597	22,379
Auditors' remuneration		
Audit	13,920	11,340

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	432,282	376,756
Social security costs	34,153	29,519
Employer's contribution to defined contribution pension schemes	37,863	30,717
	504,298	436,992

One employee received employee benefits (excluding employer pension costs) during the year of more than £60,000 (2023: nil)

Total employee benefits including employer's national insurance and pension contributions of the key management personnel were £81,739 (2023: £70,638).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2023: nil). No trustee received payment for professional services supplied to the charity (2023: nil)

Trustee expenses represent the payment or re-imbursement of travel and subsistence costs totalling £0 (2023: £576) incurred by 0 (2023: 1) member.

12. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024	2023
	No:	No:
Raising funds	3.8	3.8
Charitable Activities	7.0	7.0
Support	3.2	3.2
Governance	2.0	2.0
	16	16

13. Related party transactions

During the year, trustees donated a total of £25,862 to the charity (2023: £13,908). £0 (2023: £0) had restrictions placed upon them.

Terry Douris, a Trustee, is a Hertfordshire County Councillor.

There were no other related party transactions to disclose for the year (2023: none).

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

14. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

15. Tangible fixed assets

	Freehold land & buildings £	Computer equipment	Furniture & equipment	Total £
Cost:				
At beginning of year	874,666	57,485	83,303	1,015,454
Additions	-	6,696	17,704	24,400
Transfer	(346,416)	-	-	(346,416)
Disposals	-	-	-	-
At end of year	528,250	64,181	101,007	693,438
Accumulated Depreciation:				
At beginning of year	244,652	49,096	80,317	374,065
Charge for the year	15,500	6,752	4,346	26,598
Transfer	(116,335)	-	-	(116,335)
Disposals	-	-	-	-
At end of year	143,817	55,848	84,663	284,328
Net book value:				
At beginning of year	630,014	8,389	2,986	641,389
At end of year	384,433	8,333	16,344	409,110

Land with a value of £100,000 (2023: £100,000) is included within freehold property and not depreciated.

All assets are used for charitable purposes.

16. Investment Property

Part of the building was reclassified in 2024 to move the area of the building occupied by tenants to investment property from fixed assets.

	£
At 1 April 2023	-
Transfer	230,081
At 31 March 2024	230,081

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

17. Investments

	2024	2023
	£	£
Fair value at the start of the year	12,029,737	12,733,520
Additions at cost	1,174,585	166,196
Disposal proceeds	15,073	(13,330)
Net gain/(loss) on change in fair value	1,090,681	(854,814)
Costs charged	(15,265)	(15,515)
Equalisation	-	-
Cash invested	88	350
Cash re-invested	104	13,330
Fair vale at the end of the year	14,295,003	12,029,737
Historic cost at the end of the year	10,811,659	9,637,074
	2024	2023
	£	£
Listed investments all held within the UK comprise:		
Rathbone Unit Trust Management	8,206,149	7,647,945
COIF Charities Investment Fund	6,088,750	4,381,674
Cash held by brokers for re-investment	104	118
	14,295,003	12,029,737

In August 2024 HCF received an additional £4,160,314 endowment investment from a trust transfer.

18. Mixed motive investments

	2024	2023
	£	£
Freehold land and buildings		
Cost at start of the year	607,619	607,619
Additions	-	-
Cost at end of the year	607,619	607,619

This investment comprises a Community Resource Centre in East Hertfordshire funded by the Nigel Copping Fund.

19. Debtors

	2024	2023
	£	£
Trade debtors	2,901	194,827
Prepayments	23,215	23,845
Accrued income	30,441	1,893
Other Debtors	-	-
	56,557	220,565

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

20. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade Creditors	11,659	31,342
Other creditors	15,188	5,223
Accruals	25,176	65,089
Deferred income	115,396	143,963
	167,419	245,617

21. Deferred income

	2024 £	2023 £
Balance at the beginning of the year	143,963	162,097
Amount released to income in the year	(138,280)	(157,684)
Amount deferred in the year	109,713	139,550
Balance at the end of the year	115,396	143,963

22. Analysis of net assets between funds

Current Year	Unrestricted £	Restricted £	Endowment £	Total 2024 £
Tangible fixed assets	24,677	-	384,433	409,110
Investments	-	-	14,295,003	14,295,003
Investment Property	-	-	230,081	230,081
Mixed motive investments	-	-	607,619	607,619
Net current assets	772,768	362,768	(304,985)	830,551
Net assets at the end of the year	797,445	362,768	15,212,151	16,372,364

Prior Year	Unrestricted £	Restricted £	Endowment £	Total 2023 £
Tangible fixed assets	11,375	-	630,014	641,389
Investments	-	-	12,029,737	12,029,737
Mixed motive investments	-	-	607,619	607,619
Net current assets	330,224	495,464	(276,258)	549,432
Net assets at the end of the year	341,599	495,464	12,991,112	13,828,177

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

23. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	2024	2023
	£	£
Less than one year	275	764
1-5 years	137	-
	412	764

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

24. Movement in funds

Current Year	As at 1 April 2023 £	Income £	Expenditure £	Gains or (losses)	Transfers	As at 31 March 2024 £
Endowment funds						
General	4,805,985	226,677	(147,178)	342,226	(51,250)	5,176,460
Grassroots	3,364,762	123,137	(106,971)	203,764	(61,595)	3,523,097
Communities First Funds	4,174,852	1,440,001	(150,906)	532,491	(98,358)	5,898,080
Property	630,014	-	(15,500)	-	-	614,514
	12,975,612	1,789,815	(420,555)	1,078,481	(211,202)	15,212,151
Restricted funds						
Restricted Income Funds	486,385	5,477,745	(5,330,188)	12,200	(283,374)	362,768
HCF Training & Development	9,079	170,890	(170,890)	-	(9,079)	-
	495,464	5,648,635	(5,501,078)	12,200	(292,453)	362,768
Unrestricted Funds						
General fund	309,940	175,595	(287,250)	-	507,741	706,026
Love and Winter	47,160	122,437	(74,092)	-	(4,086)	91,419
	357,100	298,033	(361,342)	-	503,655	797,445
Total Funds	13,828,177	7,736,483	(6,282,975)	1,090,681	-	16,372,364

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2024

Prior Year	As at 1 April 2022 £	Income £	Expenditure £	Gains or (losses)	Transfers	As at 31 March 2023 £
Endowment funds						
General	4,979,301	399,493	(113,851)	(362,900)	(96,058)	4,805,985
Grassroots	3,686,039	91,634	(82,672)	(263,550)	(66,689)	3,364,762
Communities First Funds	4,379,173	304,219	(184,705)	(227,686)	(96,149)	4,174,852
Property	645,514	-	(15,500)	-	-	630,014
	13,690,027	795,346	(396,728)	(854,136)	(258,896)	12,975,612
Restricted funds						
Restricted Income Funds	910,450	4,799,923	(4,981,394)	(15,844)	(226,750)	486,385
HCF Training & Development	-	290,290	(281,210)	-	-	9,079
	910,450	5,090,213	(5,262,604)	(15,844)	(226,750)	495,464
Unrestricted Funds						
General fund	-	156,369	(331,874)	-	485,445	309,940
Love and Winter	82,343	100,343	(135,726)	-	200	47,160
	82,343	256,712	(467,600)	-	485,645	357,100
Total Funds	14,682,819	6,142,271	(6,126,932)	(869,980)	(1)	13,828,177

Accounts

Company Registration No: 08794474

Charity Registration No: 1156082

HERTFORDSHIRE COMMUNITY FOUNDATION

**DIRECTORS REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2023

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

CHAIRMAN'S STATEMENT

I am pleased to present the Trustee's Annual Report and Financial Statements for the year ended 31 March 2023.

Following the delivery of two major pass-through funds HCF's grant making peaked at £5.16 million reflecting 5 years of consecutive growth. HCF's total grant making, since it was founded in 1988, now exceeds £25 million.

Notable grant programmes included the Holiday Activities Fund (a programme addressing the triple inequality of food poverty, physical inactivity and social isolation) and Community Opportunities (a programme supporting the delivery of elderly day care services addressing loneliness and isolation). My thanks go to Hertfordshire County Council for partnering with HCF to deliver both programmes.

Although HCF's grant making has grown, much of this funding is temporary and may not be sustainable in the medium to long term. As a result, a key priority for HCF remains to grow its endowment by engaging new fund holders wishing to support local philanthropy. To achieve this ambition and to accelerate income growth, HCF was pleased to welcome Amanda Jansen as HCF's new Head of Philanthropy.

Through growth in the endowment HCF will be able to secure sustained growth in grant making. Events over the past few years, including the current cost of living crisis, have highlighted the need to respond with agility as local need changes and develops.

Over the past year HCF has supported a broad range of social need including families and individuals displaced by the war in Ukraine. Over the past year HCF's Children's Fund received in excess of 440 applications, compared to 202 applications in 2021/22. This reflects the huge and growing pressures faced by local residents experiencing the impact of the cost of living crisis.

HCF also revealed a new look as it rebranded in November 2022 to a new one that reflects the charity as it stands now. I am pleased to report that feedback since the launch has been overwhelmingly positive.

I would also like to extend my thanks to James Williams and Will Hobhouse who stepped down as trustees. Following a successful career in law, James provided excellent counsel on matters relating to governance and he played a key role on HCF's Grants Committee. Will oversaw HCF's Communications & Development Committee and was the pioneer behind HCF's Building Effectiveness programme for which HCF, and the many charities that have benefited from the programme, remain hugely grateful. Will should also be thanked for the key role he played in organising HCF's Harry Potter fundraising dinner which took place in May 2022, raising over £150,000 for local causes. I am pleased to report that both James and Will remain involved as HCF Ambassadors.

HCF's ability to make an impact in the county is the result of an extraordinary team effort by a group of dedicated staff, Trustees, volunteers and generous donors. My gratitude goes to everyone as we seek to make Hertfordshire a better county for everyone.

Henry Holland-Hibbert

Chair

Hertfordshire Community Foundation

INTRODUCTION

The trustees present their report and accounts for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and 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 the Republic of Ireland (SORP FRS 102) – effective 1 January 2019.

ADMINISTRATIVE DETAILS

Trustees, staff and long-term volunteers who served during the year and up to the date of this report were:

President

The Lord Lieutenant of Hertfordshire

Ambassadors

The Foundation is advised by a group of people with a strong interest in the success of our work.

Trustees

Henry Holland-Hibbert	Chair of Trustees, Audit and Communications & Development Committees
Anna Bates	Grants Committee
Sally Burton DL	Grants Committee (Chair)
Jill Burridge	Research and Impact Committee (Chair) and Communications & Development Committees
Cllr Terry Douris	Audit committee
Suzy Harvey DL	Grants, Research and Impact and Staffing Committees
Will Hobhouse	Communications and Development Committee (Chair) (resigned July 22)
Gus Machado	Governance and Research & Impact Committees
John Saner	Governance Committee (Chair)
Simon Tilley	Audit Committee (Chair)
Jonathan Arrowsmith	Audit Committee
Suzanne Westlake	Grants Committee
James Williams MBE	Staffing (Chair), Grants and Governance Committees (resigned Feb 23)
Syd Nadim	Communications and Development Committee (Chair)

Staff

Helen Gray	Foundation Director
Georgina Bawden	Grants Manager
Simone Deans	Office Manager (from Apr 21 to Sept 22)
Ingrid Dos Santos	Office Manager (from Oct 22)
Helen Doubal	Head of Grants
Nicky Fawcett	Grants Manager – HAPpy programme (from May 21 to Nov 22)
Louise Marron	Project Manager (HCF Training & Development from Sep 19 to Apr 22)
Willow Humphries	Training and Development Manager (from Apr 22)
Danielle Hood	Marketing Officer
Linn Moyster	Finance Manager
Maureen Palmer	Grants Administrator
Ana Siewniak	Project Coordinator (HCF Training & Development)

Hertfordshire Community Foundation

Nicola Stokes	Grants Manager
Madeleine Lustigman	Grants Manager – Community Opportunities (from Oct 21 to July 22)
Yvonne Green	Marketing & Events Co-ordinator
Emma Dalton	Grants Manager (from June 22)
Christy Winn	Grants Administrator (from May 22)
Amanda Jansen	Philanthropy Manager (from Oct 22)
Sarah Greene	Grant Manager (from Feb 23)
Tony Klitchingman	Grant Manager (from Nov 22)

OBJECTIVES AND ACTIVITIES

Hertfordshire Community Foundation's (HCF) objectives, as set out in the governing document, are to benefit the community in the county of Hertfordshire and immediate area, in particular to advance education, protect mental and physical health and relieve poverty.

HCF is the natural port of call for grant making and philanthropy in the county of Hertfordshire. We work in partnership with individuals, companies and other organisations across every sector of the community to build a better life for all.

Hertfordshire is generally perceived as an affluent county. However, this hides the reality for many, and Hertfordshire has places where need and deprivation is in the worst 10% in the UK - highlighted by HCF through its independent 'Hertfordshire Matters 2020' research. Regrettably all social need highlighted in this report has been exacerbated by the ongoing impact of Covid-19 demonstrating the importance of local insight.

To meet local need, HCF offers a professional and flexible service to assist donors, whether individuals, companies or trusts, as well as public authorities and agencies to achieve their local charitable giving objectives.

HCF further endorses its charitable purposes for the public benefit through its vision and mission statements, together with its grant making policy.

Responding to emerging need

Over the past year, HCF has maintained its focus on supporting Hertfordshire's most deprived communities and supporting those in need. Grants continue to support groups and organisations addressing the ongoing impact of the pandemic together with the cost-of-living squeeze which is having a marked impact on demand for HCF's support. HCF continues to monitor closely emerging needs

Vision and Mission

Following a strategic review in February 2022, HCF's Vision and Mission statements were confirmed as follows:

Our Vision: A county where generous communities work together to enhance the quality of lives in Hertfordshire.

Our Mission: To help those in most need in Hertfordshire by raising funds and connecting philanthropy to community needs and opportunities.

This will be achieved by:

1. Understanding the needs and challenges in the county through our Hertfordshire Matters project to direct funds strategically and to advise donors.
2. Better understanding the impact of HCF's activities on both beneficiaries and the wider community.
3. Generating new and repeat funding by providing professional philanthropic services to all donors through informed advice and excellent stewardship.
4. Proving an efficient, effective and supportive grant making services targets to address identified need.
5. Developing a stronger, effective and more sustainable voluntary sector through HCF Training & Development.
6. Increasing HCF's profile amongst its key audiences.
7. Ensuring HCF operates with financial sustainability.

Public benefit

The Trustees have referred to the charity commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and can confirm that public benefit is delivered through:

- Building endowed funds and delivering pass through funding to provide long term sustainable grant making to the local community
- Providing professional philanthropy, grant making and corporate responsibility services
- Providing a grants programme for charities and the voluntary sector across Hertfordshire
- Undertaking research to identify need in Hertfordshire to inform HCF's grants strategy, engage with donors and demonstrate knowledge of the local community

Social Investment

In April 2014 a community resource was opened in the form of the Nigel Coppling Community Building in Stanstead Abbots. HCF continues to work closely with its tenant, CVS Broxbourne and East Herts, ensuring the building serves as a community asset with fully equipped meeting rooms and a community hall.

Volunteers

HCF's activities, in particular in the areas of administration and grant support, are enhanced by the help of a small team of dedicated volunteers for which we are hugely grateful. Being able to welcome volunteers back to the office in person has been a welcome development.

Grant making policy

When awarding grants, HCF aims to be equitable, inclusive, fair, transparent, professional and effective. We want to ensure that we are open and accessible to the wide range of groups and causes who could benefit while remaining true to the wishes of our donors and the needs of the county. In response to the pandemic grant applications were reviewed on a rolling basis by an emergency panel comprising the Foundation Director and Chair of the Grants Committee. This enabled HCF to distribute funds quickly and efficiently.

The Grant Making Policy relates to the grant making activity within the Foundation and provides a clear and consistent guide and shows how we intend to operate to the highest grant making standards.

It is our intention that all grant making and fund development activities are co-ordinated to meet the needs and objectives of HCF, the individual fund holders, the grantees and the county as a whole.

ACHIEVEMENTS AND PERFORMANCE

The Trustees are pleased to report on behalf of its donors and funders that HCF awarded 983 grants with a combined value of £5,164,280, the fifth consecutive year in which grants in excess of £1m have been awarded. The significant growth in grant making reflects a growth in pass through funds, notably from Hertfordshire County Council (in respect of the Holiday Activities Programme funded by the Department of Education and a Community Opportunities programme in support of older people), The Police and Crime Commissioner and other major funders who supported HCF during the year.

In total HCF has awarded in excess of £25m in grant aid since it was founded in 1988.

In addition to its grant making activity, HCF manages over 100 endowment funds on behalf of its donors. During the year, six new endowment funds were established during the year and additionally several existing fundholders grew their funds further. HCF's endowment fund reserve stands at £12,975,612 as of March 2023. This represents a £714,414 decrease on the year end position at 31 March 2022, primarily as a result of a weakness during the year in the equity markets

HCF also continues to support other groups directly with affordable rented office space and an accessible meeting room at Foundation House.

Grant making

HCF distributed a total of 984 grants to groups and individuals totalling £5,211,664 (2022: 694 grants totalling £3,850,091) reaching in excess of 100,000 beneficiaries. These figures exclude HCF Training & Development grants which are detailed in the HCF Training & Development section below.

529 grants were made to 472 local groups and organisations. Grants awarded include:

- £2,151,408 net from the Department for Education funded, Hertfordshire County Council (HCC) Holiday Activities and Food Fund making 182 grants averaging £11,820 per grant.
- £1,415,349 from Hertfordshire County Council for the Community Opportunities and Day Activities programme making 34 grants averaging £41,627 per grant
- £481,263 from HCF's named endowment funds making 107 grants with an average grant of £4,497
- £269,730 from major donors making 29 grants averaging £9,301
- £86,969 total grants advised by donors to 26 groups average grant £3,345
- £281,433 HCC facilitated Household Support Fund from Department for Work and Pensions supporting 43 group with an average grant of £6,545
- £97,372 from Hertfordshire County Council for the Warm Spaces Fund to fund 59 groups averaging £1,650 each.
- £90,234 from the PCC Action Fund for Hertfordshire, supporting 20 groups with an average grant of £4,511. Three grants were returned from the previous year totalling £14,900
- £78,517 from the National programme Arts Council England Jubilee fund 11 grants average £7,138

Hertfordshire Community Foundation

451 grants were made to Individuals and families to a total value of £124,771.70 including:

- £123,290.97 through Hertfordshire Children's Fund grants programme supporting 448 families with an average grant of £275
- £1,481 to 3 Individuals from the St Albans Care Leavers' Fund

HCF Training & Development:

- 40 online courses and 12 in person courses delivered to 650 attendees over 150 training hours; 35 training topics; 220 unique organisations benefitted from our training programme
- 23 tutors gained Level 3 Award in Education and Training
- 5 volunteer managers and 5 CEOs supported via Action Learning sets
- Advice and Guidance:
 - 5 organisations provided with a full Organisational Needs Analysis
 - 17 organisations provided with grant assessments Organisational Needs Analysis
 - 11 organisations given 29 hours of 1:1 tailored consultancy
- £36,245 awarded in workforce development grants to 31 organisations.
- 7 organisations completed the Better Boards In-house training programme
- 12 Ready to Watch Social Media training videos launched
- 2 training conferences attended by over 100 people
- 10 organisations completed the Building Effectiveness – Leadership development programme

FINANCIAL REVIEW

Financial position

HCF's endowment fund reserve stands at £12,975,612 as of March 2023. This represents a £698,915 decrease on the year end position at 31 March 2022. Six new endowment funds were established during the year and additionally several existing fundholders grew their funds further.

This year's accounts show a deficit of £15,338 (2022: £97,161 surplus). This reflects timing differences across the financial year end between the receipt and disbursement of funds.

Income for grant making increased significantly during the year with £5,247,910 being distributed in grant aid including grants for training and development. This increase was due to several major pass-through funds, notably from Hertfordshire County Council.

- The total net assets at 31 March 2023 was £13,828,177 (2022: £14,682,819).
- Endowment funds totalled £12,975,612 at 31 March 2023 (2022: £13,690,027). Of these funds, £607,619 (2022: £607,619) represents social investment (the Nigel Copping Community Building) that could only be realised by disposing of the assets.
- Restricted funds totalled £495,465 at 31 March 2023 (2022: £910,449).
- The balance of unrestricted funds at 31 March 2023 was £357,099 (2022: £82,342).
- HCF's income, including new income from fund development, totalled £6,142,270 (2022: £4,698,659). This represents an increase of 26%.
- Grant making as a percentage of total expenditure is 86% at 31 March 2023 (2022: 85%, 2021: 80%, 2020: 68%, 2019: 69%, 2018: 65%,)

Operations and governance

HCF's charitable activity, taken as a percentage of overall activity, was 96.8% (2022: 97.1 %). Governance costs, as a percentage of overall costs, were 0.58% (2022: 0.85%). The cost of generating income, as a percentage of total income, was 3.2%. Trustees will continue to keep such statistics under review to ensure HCF manages its operations effectively.

Investment policy and performance

Investments are held in accordance with the powers of the trustees set out in the Articles of Association.

The investment objective is to achieve an overall return on the investments within the risk appetite set by the trustees and to provide financial returns to support stable and growing grant distribution across Hertfordshire.

The Board of Trustees meets with the Fund Managers twice yearly, with other contact between meetings as required.

Total return from our investments with Rathbones for the year was -5.6% which compares to the market benchmark of -2.6%, and the peer group (ARC, Charity Steady Growth Index) of -4.0%

Total return (net) from our investments with CCLA for the year was -2.00% which compares to the market benchmark of -3.94%, and the peer group (ARC, Charity Steady Growth Index) of -4.04%.

The Trustees look for a mix of income return and longer-term capital growth, with an overall return in line with the market average for charities, measured against a leading benchmark.

The extent to which social, environmental or ethical considerations are taken into account in decisions that may affect the value of the funds is left to the discretion of the investment managers. The Trustees' policy is to delegate responsibility to the investment manager for the exercising of rights, (including voting rights) attaching to the investments.

More recently HCF has elected to transfer funds held by CCLA from the CCLA Charity Fund to the similarly performing CCLA Ethical Fund. This decision reflects HCF's commitment to supporting environmental matters and its desire to be socially conscious.

HCF's assets are available and adequate to fulfil its obligations on a fund by fund basis.

Risk management

A register tracking potential major risks is monitored and reviewed at every Board of Trustees meeting and by the Governance Committee. The register identifies the risks, assesses the likelihood of an occurrence and the impact should it occur. It then identifies how the risk can be mitigated and specific actions required with, where appropriate, a timescale.

The Trustees have identified the possible financial risks as:

- a failure to control expenditure or to generate income to budget, for example investment performance
- A crash in investment markets reducing HCF's ability to draw down funds for grant making

Hertfordshire Community Foundation

- The risk of fraud by staff, volunteers or Trustees authorised to make payments or committing expenditure and failing to raise sufficient additional funds
- The loss of any major pass-through funding programmes

Having considered the major risks to which HCF is exposed, the Trustees believe that they have systems in place to mitigate those risks.

Reserves policy

The Trustees have considered the level of unrestricted reserves necessary to ensure the continuation of HCF's activities for the foreseeable future. This assessment is ongoing and is part of the Board of Trustees' financial risk management.

HCF's unrestricted income derives from contributions levied for the delivery of grant programmes and the management of funds, donations, sponsorship, events and gifts from both corporate and private sources. As a result, the Trustees believe that there is no justification for holding significant unrestricted reserves.

HCF's policy is to hold six months of operating costs in cash to manage the charity's liquidity.

PLANS FOR THE FUTURE

1. Develop local philanthropy and income
2. Deliver impactful grant programmes that address local need
3. Provide community leadership through research and training opportunities
4. Continue to improve operational systems to deliver service excellence

Strategic objectives

1. To consistently award grants totalling in excess of £1.5 million per year by 2025 to tackle need and deprivation in Hertfordshire.
2. To grow HCF's endowment to £15m+ by 2025 by raising HCF's profile amongst its key target audiences and maximising any future match funding opportunities.
3. To become Hertfordshire's leading provider of VCSE training, support, capacity building and insight by 2025 supporting both adult and children's service organisations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hertfordshire Community Foundation is a company limited by guarantee (8794474) and a registered charity (1156082) governed by its Memorandum and Articles of Association. The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are referred to as the trustees.

At 31 March 2023, the Foundation had 12 Trustees. The Trustees meet quarterly. Between these main Trustee meetings, business is conducted through the following committees:

- Audit and Investment
- Communications and Development
- Governance
- Grants

Hertfordshire Community Foundation

- Research and Impact
- Staff and Volunteers

Terms of reference for each committee set out the delegated powers. The delegated responsibility of the Governance Committee includes searching for new Trustees with appropriate skills and background, for recommendation to the Trustees. New Trustees are then appointed by a resolution passed by a majority of at least two-thirds of the existing Trustees. Prior to appointment, prospective trustees are interviewed by members of the Governance Committee and meet with the Foundation Director. New Trustees receive an information pack including the Memorandum and Articles of Association, accounts, business plan, role description and other HCF literature.

The day-to-day management of HCF is delegated to the Foundation Director. The Foundation Director reports to the Board of Trustees at quarterly meetings with one additional Board meeting used as a strategy planning session.

Pay and remuneration for staff is reviewed annually by the Staff and Volunteers Committee and a proposal is presented to the Board of Trustees for ratification.

At 31 March 2023, there were 15 part time and 1 full time members of staff. The Foundation is also assisted by a group of dedicated volunteers.

HCF is a quality accredited member of UK Community Foundations, the membership organisation that supports and promotes community foundations operating across the UK.

Pension liability

As described in note 1 the charity makes payments to a defined contribution pension scheme for its employees, paying contributions as they fall due.

Hertfordshire's charity and voluntary sector

The local voluntary sector remains under pressure as it recovers from the impact of the pandemic and as it faces significant increases in operating costs due to rising energy costs and rising inflation.

Hertfordshire Community Foundation

REFERENCE AND ADMINISTRATIVE DETAILS

Foundation office and registered address

Foundation House, 2 - 4 Forum Place, Fiddlebridge Lane, Hatfield, Hertfordshire, AL10 0RN

Statutory Auditor

Myers Clark, Chartered Accountants, Egale 1, 80 St Albans Road, Watford, Hertfordshire, WD17 1DL

Bankers

National Westminster Bank plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1AB

Investment managers

- CCLA Senator House | 85 Queen Victoria Street | London | EC4V 4ET
- Rathbone Brothers Plc, 8 Finsbury Circus, London EC2M 7AZ (from 21/11/17)

Solicitors

- Taylor Walton, 107 Holywell Hill, St Albans, Hertfordshire, AL1 1HQ

Statement of responsibilities of the Trustees

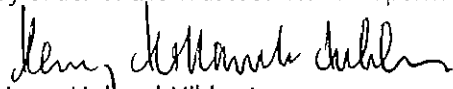
Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this has been communicated to the auditors.

By order of the Trustees on 27 September 2023.


Henry Holland-Hilbert
Chair of Trustees


Simon Tilley
Audit Committee Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HERTFORDSHIRE COMMUNITY FOUNDATION FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Hertfordshire Community Foundation (the charitable company) for the year ended 31 March 2023 which comprise the statement of financial activities (Incorporating an income and expenditure account), the balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 12 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 contained within the trustees' annual report. 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 the 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 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 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, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Employment law.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Hertfordshire Community Foundation

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.



Paul Windmill (Senior Statutory Auditor)

Dated: 28 November 2023

For and on behalf of Myers Clark, Statutory Auditor
Egale 1, 80 St Albans Road
Watford
Hertfordshire, WD17 1DL

Hertfordshire Community Foundation

Statement of Financial Activity (incorporating an income and expenditure account)
For the year ended 31 March 2023

	Notes	Unrestricted funds 2023	Restricted funds 2023	Endowment funds 2023	Total Funds 2023	Unrestricted funds 2022	Restricted funds 2022	Endowment funds 2022	As restated Total Funds 2022
		£	£	£	£	£	£	£	£
Income from:									
Donations and Legacies	2	109,934	4,798,174	453,796	5,361,904	66,739	3,823,653	158,276	4,048,668
Charitable Activities	3	73,061	290,290	-	363,351	40,372	252,336	-	292,708
Other Trading Activities	4	67,750	-	17,712	85,462	53,039	-	15,933	68,972
Investments	5	5,967	1,748	323,838	331,553	485	1,444	286,382	288,311
Other income		-	-	-	-	-	-	-	-
Total income		256,712	5,090,212	795,346	6,142,270	160,635	4,077,433	460,591	4,698,659
Expenditure on:									
Raising funds	6	96,666	93,230	3,038	192,934	122,172	7,439	4,163	133,775
Charitable activities		370,934	5,169,374	393,690	5,933,998	317,200	3,907,525	242,999	4,467,723
Total expenditure		467,600	5,262,604	396,728	6,126,932	439,372	3,914,964	247,162	4,601,498
Net gains/(losses) on investments		-	(15,843)	(854,136)	(869,979)	-	6,772	614,658	621,430
Net income / (expenditure)		(210,888)	(188,235)	(455,518)	(854,641)	(278,737)	169,241	828,088	718,593
Transfer between funds		485,645	(226,750)	(258,896)	(1)	357,720	(207,342)	(150,378)	-
Net movement of funds		274,757	(414,985)	(714,414)	(854,642)	78,983	(38,101)	677,710	718,593
Reconciliation of funds									
Total funds brought forward		82,342	910,499	13,690,026	14,682,819	3,359	948,550	13,012,316	13,964,225
Total funds carried forward		357,099	495,464	12,975,612	13,828,177	82,342	910,449	13,690,026	14,682,819

Hertfordshire Community Foundation
Balance Sheet
As at 31 March 2023

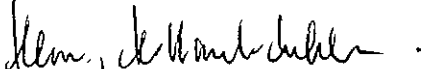
Company no: 08794474

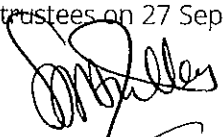
		2023	2022
	note	£	£
Fixed assets			
Tangible assets	15	641,389	658,734
Investments	16	12,029,737	12,733,520
Mixed motive investments	17	607,619	607,619
		13,278,745	13,999,873
Current assets			
Debtors	18	220,565	18,810
Cash at bank and in hand		574,481	864,289
		795,046	883,099
Liabilities			
Creditors: amounts due within one year	19	(245,617)	(200,154)
Net current assets		549,429	682,945
Total net assets		13,828,177	14,682,819
The funds of the charity	23		
Endowment funds			
General		10,582,950	10,427,385
Revaluation reserve		2,392,662	3,262,642
		12,975,612	13,690,027
Restricted income funds		495,464	910,449
Unrestricted funds		357,099	82,343
		13,828,177	14,682,819

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the trustees on 27 September 2023 and signed on their behalf by:


Henry Holland - Hibbert
Chairman of Trustees


Simon Tilley
Audit Committee Chairman

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (note I)	(450,130)	(87,144)
Cash flows from investing activities:		
Dividends, interest and rents from investments	331,553	288,311
Purchase of property plant and equipment	(5,033)	(8,360)
Proceeds from sale of investments	0	0
Purchase of Investments	(166,196)	(756,749)
Net cash provided by (used in) investing activities	160,324	(476,798)
Change in cash and cash equivalents in the reporting period	(289,806)	(563,942)
Cash and cash equivalents at beginning of the reporting period	864,288	1,428,230
Cash and cash equivalents at end of the reporting period (note II)	574,482	864,289

Note I

Net Income/ (expenditure) for the reporting period (as per the Statement of Financial Activities)	(854,642)	718,593
--	-----------	---------

Adjustment for:

Depreciation	22,378	20,453
(Gains)/Losses on Investments	869,979	(621,266)
Dividends, interest and rents from Investments	(331,553)	(288,311)
(Increase)/decrease in debtors	(201,755)	60,335
Increase/(decrease) in creditors	45,463	23,053
Net cash provided by (used in) operating activities	(450,130)	(87,143)

Note II

Analysis of cash and cash equivalents		
Cash in hand	574,482	864,289
	574,482	864,289

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS102) effective 1 January 2019 (SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Ireland and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Significant accounting policies are listed below.

Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Funds structure

Endowment Funds

These represent incoming resources that are required to be retained or invested for the use of the charity's objectives.

Restricted Funds

These represent income received where restrictions on use, as determined by the donor, which are narrower than the charity's general objects

Unrestricted Funds

These represent income which can be used for the general objects of the charitable company as determined by the Board of Trustees.

Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

1. Accounting policies (continued)

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. All expenses, including support costs and governance costs are allocated or apportioned to the applicable expenditure heading as follows:

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions as well as the cost of any activities with a fundraising purpose and their associated support costs.

Expenditure on charitable activities includes the costs of activities undertaken to further the charitable aims and objectives of the charity and their associated support costs.

Other costs represent those items not falling into any other heading.

Allocation of costs

Expenditure that is directly attributable to delivery of the charity's activities or raising funds is allocated to the activity to which it relates.

Support costs comprise costs incurred in support of these activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spent on each activity during the financial year.

Grant funding

Grants payable are payment made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity. Provisions for grants are made when the intention to make the grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

1. Accounting policies (continued)

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Depreciation of tangible fixed assets

Items of equipment over £500 are capitalised and valued at historic cost. Depreciation is charged when assets are brought into use to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Computer Equipment	-	33 1/3 % p.a. on a straight line basis
Furniture and Fittings	-	20% p.a. on a straight line basis
Freehold Property	-	Over 50 years
Freehold Improvements	-	Over period remaining to 50 years

Investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid-market value.

Mixed motive investments comprise property owned by the charity but used by third parties to undertake activities that promote the charity's aims. Income generated is incidental to the main purpose of the investment rather than the purpose of the investment. Mixed motive investments are initially recognised and subsequently measured at transaction value less any impairment.

Pension Contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the year they are payable.

2. Income from donations and legacies

	2023	2022
	£	£
Donations	5,361,904	4,041,272
Other grants	-	-
Membership	-	7,396
	5,361,904	4,048,668

3. Income from charitable activities

	2023	2022
	£	(As restated) £
Performance related grants	290,290	252,336
Lettings	13,998	13,272
Management fees	59,063	27,000
	363,351	292,708

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

Included in performance related grants is £36,246 (2022: £130,565) made by local authorities to fund the Workforce Development Programme for the voluntary sector in Hertfordshire. At 31 March 2023, the performance criteria had been fully met.

HCF continues to manage funds on Crowdfund Hertfordshire platform.

In 2022-23 £43,962 of funds were pledged to 23 projects via 3 funds provided by HCC and Hertsmere Borough Council*. These projects were supported by over 1500 supporters which amounted to £100,856 raised by the community. East Herts Council's fund stopped after revision of the pilot and The Sustainable Hertfordshire fund was launched in December provided by HCC.

4. Income from other trading

	2023	2022
	£	£
Rent	52,088	46,833
Fundraising	33,374	22,139
Sponsorship	-	0
	85,462	68,972

5. Income from Investments

	2023	2022
	£	£
Listed Investments – within the UK	325,586	287,826
Bank Interest	5,967	485
	331,553	288,311

6. Expenditure on raising funds

	2023	2022
	£	£
Direct costs	30,697	6,480
Support costs	162,237	127,294
	192,934	133,774

7. Expenditure on charitable activities

Activity or Project	Direct	Grant	Grants	Support	Total
Current Year	Activity	Institutions	Individuals	Costs	2023
	£	£	£	£	£
Grants programme (note 9)	-	5,092,503	119,161	441,124	5,652,788
HCF Training & Development	208,964	36,246	-	-	245,210
Rowlandson Sponsorship	-	-	-	-	-
Crowdfunder	36,000	-	-	-	36,000
	244,964	5,128,749	119,161	441,124	5,933,998

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

Prior Year	Direct Activity £	Grant Institutions £	Grants Individuals £	Support Costs £	Total 2022 £
Grants programme (note 9)	-	3,783,978	66,114	290,910	4,141,002
HCF Training & Development	177,347	39,325	-	-	216,672
Rowlandson Sponsorship	6,550	-	-	-	6,550
Crowdfunder	103,500	-	-	-	103,500
	287,397	3,823,303	66,114	290,910	4,467,724

8. Support Costs

	2023 £	2022 £
<i>Support</i>		
Staff Costs	258,453	264,793
Premises	61,909	34,886
Office costs	43,836	39,478
Depreciation	22,379	20,453
Other	85,475	27,083
	472,052	386,693
	£	£
<i>Governance</i>		
Staff costs	21,365	19,283
Trustee expenses	576	20
Audit fees	11,340	11,000
Professional and legal fees	775	-
Trustee indemnity insurance	931	1,209
Other	-	-
	34,987	31,512
Total	507,039	418,205
Allocated to activities: based on staff time		
Raising funds	65,915	127,295
Charitable Activities	441,124	290,909
	507,039	418,204

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

9. Grant making

Current Year	Grants to Institutions £	Grants to Individuals £	Total 2023 £
Fairness (Deprivation)	2,620,395	119,161	2,739,556
Housing (Housing and Homelessness)	65,587		65,587
Safety (Crime and Safety)	242,166		242,166
Healthy Living (Health and Wellbeing)	852,625		852,625
Strong Communities	963,617		963,617
Work and Learning (Education and Work)	221,985		221,985
Environment	80,722		80,722
Emergency Coronavirus Response	45,406		45,406
	5,092,503	119,161	5,211,664

A full list of awards made can be found at: www.hertscf.org.uk

Prior Year	Grants to Institutions £	Grants to Individuals £	Total 2022 £
Fairness	2,534,285	66,114	2,600,399
Housing	4,844	-	4,844
Safety	99,246	-	99,246
Healthy Living	109,273	-	109,273
Strong Communities	648,492	-	648,492
HCF Training & Development	237,539	-	237,539
Environment	22,447	-	22,447
Emergency Coronavirus Response	127,852	-	127,852
	3,783,978	66,114	3,850,092

10. Net income for the year

This is stated after charging/(crediting):

	2023 £	2022 £
Depreciation	22,379	20,453
Auditors' remuneration (excluding VAT)		
Audit	11,340	9,167
Other services	-	-

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	376,756	303,653
Social security costs	29,519	21,564
Employer's contribution to defined contribution pension schemes	30,717	24,234
	436,992	349,451

No employees received employee benefits (excluding employer pension costs) during the year of more than £60,000 (2021: nil)

Total employee benefits including employer's national insurance and pension contributions of the key management personnel were £70,638 (2021: £67,552).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2022: nil). No trustee received payment for professional services supplied to the charity (2022: nil)

Trustee expenses represent the payment or re-imbursement of travel and subsistence costs totalling £2576 (2022: £20) incurred by 1 (2022: 1) member.

12. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023	2022
	No:	No:
Raising funds	3.8	2.6
Charitable Activities	10.4	6.5
Support	4.3	2.8
Governance	1.5	1.1
	20	13

13. Related party transactions

During the year, trustees donated a total of £13,908 to the charity (2022: £65,140). £0 (2022: £35,000) had restrictions placed upon them.

During the year, a total of £nil was received from Trustees for tickets to a fundraising event (2022: £Nil).

Terry Douris, a Trustee, is a Hertfordshire County Councillor.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

There were no other related party transactions to disclose for the year (2022: none).

14. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

15. Tangible fixed assets

	Freehold land & buildings	Computer equipment	Furniture & equipment	Total
	£	£	£	£
Cost				
At beginning of year	874,666	52,452	83,303	1,010,421
Additions	0	5,033	0	5,033
Disposals				0
At end of year	874,666	57,485	83,303	1,015,454
Depreciation				
At beginning of year	229,152	44,262	78,273	351,687
Charge for the year	15,500	4,834	2,044	22,378
Disposals				0
				0
At end of year	244,652	49,096	80,317	374,065
Net book value				
At beginning of year	645,514	8,190	5,030	658,734
At end of year	630,014	8,389	2,986	641,389

Land with a value of £100,000 (2022: £100,000) is included within freehold property and not depreciated.

All the above assets are used for charitable purposes.

16. Investments

Listed Investments	2023	2022
	£	£
Fair value at the start of the year	12,733,520	11,355,505
Additions at cost	166,196	743,170
Disposal proceeds	(13,330)	(7,409)
Net gain/(loss) on change in fair value	(854,814)	636,650
Costs Charged	(15,515)	(15,822)
Equalisation	-	(1,802)

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

Cash Invested	350	757,187
Cash re-invested	13,330	(733,959)
Fair value at end of the year	12,029,737	12,733,520

16. Investments (continued)

Historic cost at the end of the year	9,637,074 2023	9,470,878 2022
Listed investments all held within the UK comprise:	£	£
Rathbone Unit Trust Management	7,647,945	8,288,403
COIF Charities Investment Fund	4,381,674	4,443,164
Cash held by brokers for re-investment	118	1,953
	12,029,737	12,733,520

17. Mixed motive Investments

	2023 £	2022 £
Freehold land and buildings		
Cost at start of the year	607,619	607,619
Additions	-	-
Cost at end of the year	607,619	607,619

This investment comprises a Community Resource Centre in East Hertfordshire funded by the Nigel Copping Fund.

18. Debtors

	2023 £	2022 £
Trade debtors	194,827	8,892
Prepayments	23,845	4,204
Accrued income	1,893	5,714
	220,565	18,810

19. Creditors: amounts falling due within one year

	2023 £	2022 (As restated) £
Trade creditors	31,342	3504
Other creditors	5,223	-
Accruals	65,089	34,553
Deferred Income (note 20)	143,963	162,097
	245,617	200,154

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

20. Deferred Income

	2023	2022 (As restated)
	£	£
Balance at the beginning of the year	162,097	52,150
Amount released to income in the year	(157,684)	(102,324)
Amount deferred in the year	139,550	212,271
Balance at the end of the year	143,963	162,097

21. Analysis of net assets between funds

Current Year	Unrestricted	Restricted	Endowment	Total 2023
	£	£	£	£
Tangible fixed assets	11,375	-	630,014	641,389
Investments	-	-	12,029,737	12,029,737
Mixed motive investments	-	-	607,619	607,619
Net current assets	345,724	495,464	(276,258)	549,430
Net assets at the end of the year	357,099	495,464	12,975,612	13,828,175

Prior Year	Unrestricted (As restated)	Restricted (As restated)	Endowment (As restated)	Total 2022
	£	£	£	£
Tangible fixed assets	13,221	-	645,513	658,734
Investments	-	-	12,733,520	12,733,520
Mixed motive investments	-	-	607,619	607,619
Net current assets	69,122	910,450	(296,626)	682,946
Net assets at the end of the year	82,343	910,450	13,690,026	14,682,819

22. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	2023	2022
	£	£
Less than one year	764	743
1-5 years	0	
	764	1,487

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

23. Movement in funds

Current Year	As at 1 April 2022 £	Income £	Expenditure £	Gains or (losses)	Transfers	As at 31 March 2023 £
Endowment funds						
General	4,979,301	399,493	(113,851)	(362,900)	(96,058)	4,805,985
Grassroots	3,686,039	91,634	(82,672)	(263,550)	(66,689)	3,364,762
Communities First Funds	4,379,173	304,219	(184,705)	(227,686)	(96,149)	4,174,852
Property	645,514	-	(15,500)	-	-	630,014
	13,690,027	795,346	(396,728)	(854,136)	(258,896)	12,975,612
Restricted funds						
Restricted Income Funds	910,450	4,799,923	(4,981,394)	(15,844)	(226,750)	486,385
HCF Training & Development	-	290,290	(281,210)	-	-	9,079
	910,450	5,090,213	(5,262,604)	(15,844)	(226,750)	495,464
Unrestricted Funds						
General fund	-	156,369	(331,874)	-	469,945	294,440
Love and Winter	82,343	100,343	(135,726)	-	200	47,160
	82,343	256,712	(467,600)	-	485,645	357,100
Total Funds	14,682,819	6,142,271	(6,126,932)	(869,980)	(1)	13,828,177

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

23. Movement in funds (continued)

Prior Year	At the start of the year	Income	Expenditure	Gains or (losses)	Transfers	At the end of the year 2022
	£	£	£	£	£	£
Endowment funds						
General	4,592,107	246,253	(44,325)	161,256	8,510	4,963,801
Grassroots	3,642,907	77,973	(80,124)	99,324	(54,041)	3,686,039
Communities First	4,116,288	136,366	(122,713)	354,079	(104,847)	4,379,173
Property	661,014	-	-	-	-	661,014
	13,012,316	460,592	(247,162)	614,659	(150,378)	13,690,027
Restricted funds						
Restricted Income Funds	854,485	3,928,598	(3,691,742)	6,772	-187,663	910,450
Herts Training & Development	94,065	142,286	(216,672)	-	-19,680	-
Rowlandson Sponsorship	-	6,550	(6,550)	-	-	-
	948,550	4,077,434	(3,914,964)	6,772	(207,343)	910,450
Unrestricted						
General	3,359	160,636	(439,373)	-	357,720	82,343
	3,359	160,636	(439,373)	-	357,720	82,343
Total Funds	13,964,225	4,698,662	(4,601,499)	621,430	-	14,682,819

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2023

Note 24 Prior year adjustment

The accounts include one prior year adjustment to correct the recognition of Income earned from charitable activities in the year ended 31 March 2022. This has resulted in a decrease in income of £103,591 for the year ended 31 March 2022 and an increase in creditors (deferred income) of £103,591 as at 31 March 2022. As a result, funds have been decreased by £103,591 as at 31 March 2022.

Changes to the balance sheet

	As previously reported	Adjustment	As restated
	£	£	£
Creditors			
Amounts falling due with one year	(96,563)	(103,591)	(200,154)
Net Current Assets	786,536	(103,591)	682,945
Total net assets	14,786,410	(103,591)	14,682,819
The funds of the charity			
Endowment funds			
General	10,427,385	-	10,427,385
Revaluation reserve	3,262,642	-	3,262,642
	13,690,027	-	13,690,027
Restricted income funds	1,014,041	(103,591)	910,450
Unrestricted funds	82,342	-	82,342
	14,786,410	(103,591)	14,682,819

Changes to the statement of Financial Activities

	Period ended 31 March 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Charitable Activities	396,299	(103,591)	292,708
Net movement in funds	822,184	(103,591)	718,593

Accounts

Company Registration No: 08794474

Charity Registration No: 1156082

HERTFORDSHIRE COMMUNITY FOUNDATION
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Hertfordshire Community Foundation

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

CHAIRMAN'S STATEMENT

I am pleased to present the Trustees' Annual Report and Financial Statements for the year ended 31 March 2022.

While there has been a period of consolidation in the wake of the pandemic, HCF has once again increased its grant making to a record £3.85m, an increase of 72.19% (£1.66m) on the previous financial year. This is the fourth consecutive year in which HCF's grant making has exceeded £1m. This reflects significant need in the county as the ongoing impact of the pandemic is felt and it also reflects the addition of several major pass-through funds, notably from Hertfordshire County Council.

Regrettably, as the impact of Covid-19 began to abate we were acutely aware that the first energy price cap increase in April 2022 would stretch local families and individuals who were already struggling to make ends meet. HCF will continue to monitor this situation and through programmes such as HCF's Children's Fund and HCF's Winter Appeal, grants will be available to local children and families to ensure their most basic needs can be met.

Although HCF's grant making has grown over recent years, much of this funding is temporary and may not be sustainable in the medium to long term. As a result, a key priority for HCF remains to grow our endowment fund. Through growth in the endowment HCF will be able to secure growth in grant making. Events over the past few years have highlighted the importance and value of community foundations around the globe and we have a duty to help those in greatest need here in Hertfordshire.

HCF's ability to make an impact in the county is the result of an extraordinary team effort by a group of dedicated staff, volunteers and generous donors. My gratitude goes to our loyal team as we work to make Hertfordshire a better county for everyone.

Lastly, I would like to thank my fellow Trustees for their guidance and unfailing commitment in all that we do.



Henry Holland-Hibbert
Chairman

Hertfordshire Community Foundation

INTRODUCTION

The trustees present their report and accounts for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and 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 the Republic of Ireland (SORP FRS 102) – effective 1 January 2019.

ADMINISTRATIVE DETAILS

Trustees, staff and long-term volunteers who served during the year and up to the date of this report were:

President

The Lord-Lieutenant of Hertfordshire

Ambassadors

HCF is advised by a group of people with a strong interest in the success of our work.

Trustees

Henry Holland-Hibbert	Chair of Trustees, Audit and Communications & Development Committees
Anna Bates	Grants Committee
Sally Burton DL	Grants Committee (Chair)
Jill BurrIDGE	Research and Impact Committee (Chair) and Communications & Development Committees
Cllr Terry Douris	Audit committee
Suzy Harvey DL	Grants, Research and Impact and Staffing Committees
Will Hobhouse	Communications and Development Committee (Chair)
Gus Machado	Governance and Research & Impact Committees
John Saner	Governance Committee (Chair)
Simon Tilley	Audit Committee (Chair)
Jonathan Arrowsmith	Audit Committee
Suzanne Westlake	Grants Committee
James Williams MBE	Staffing (Chair), Grants and Governance Committees

Staff

Total of 13 staff made up of 12 part time and one full time (FTE 7.6%).

Helen Gray	Foundation Director
Georgina Bawden	Grants Manager
Simone Deans	Office Manager
Helen Doubal	Head of Grants
Nicky Fawcett	Grants Manager – HAPPY programme (from May 21)
Louise Marron	Project Manager (HCF Training & Development)
Danielle Hood	Marketing Officer
Linn Moyster	Finance Manager
Maureen Palmer	Grants Administrator
Ana Siewniak	Project Coordinator (HCF Training & Development)
Nicola Stokes	Grants Manager
Jack Tang	Training & Development kickstart apprentice (from Apr 21 to Sept 21)
Madeleine Lustigman	Grants Manager – Community Opportunities (from Oct 21)
Yvonne Green	Marketing & Events Co-ordinator (from Nov 21)

Hertfordshire Community Foundation

Volunteers

Alex Wiltshire
Emma Simons
Nick Powlesland

OBJECTIVES AND ACTIVITIES

Hertfordshire Community Foundation's (HCF) objectives, as set out in the governing document, are to benefit the community in the county of Hertfordshire and immediate area, in particular to advance education, protect mental and physical health and relieve poverty.

HCF is the natural port of call for grant making and philanthropy in the county of Hertfordshire. We work in partnership with individuals, companies and other organisations across every sector of the community to build a better life for all.

Hertfordshire is generally perceived as an affluent county. However, this hides the reality for many, and Hertfordshire has places where need and deprivation is in the worst 10% in the UK - highlighted by HCF through its Independent 'Hertfordshire Matters 2020' research. Regrettably, all social need highlighted in this report has been exacerbated by the ongoing impact of Covid-19 demonstrating the importance of local insight.

To meet local need, HCF offers a professional and flexible service to assist donors, whether individuals, companies or trusts, as well as public authorities and agencies to achieve their local charitable giving objectives.

HCF further endorses its charitable purposes for the public benefit through its vision and mission statements, together with its grant making policy.

Responding to emerging need

Over the past year, HCF has maintained its focus on supporting Hertfordshire's most deprived communities and supporting those in need. Grants continue to support groups and organisations addressing the ongoing impact of the pandemic together with the cost-of-living squeeze which is having a marked impact on demand for HCF's support. HCF continues to monitor closely emerging needs.

Vision and Mission

Following a strategic review in February 2022, HCF's Vision and Mission statements were confirmed as follows:

Our Vision: A county where generous communities work together to enhance the quality of lives in Hertfordshire.

Our Mission: To help those in most need in Hertfordshire by raising funds and connecting philanthropy to community needs and opportunities.

This will be achieved by:

1. Understanding the needs and challenges in the county through our Hertfordshire Matters research to direct funds strategically and to advise donors.
2. Better understanding the impact of HCF's activities on both beneficiaries and the wider community.
3. Generating new and repeat funding by providing professional philanthropic services to all donors through informed advice and excellent stewardship.
4. Providing an efficient, effective and supportive grant making service targeted to address identified need.
5. Developing a stronger, effective and more sustainable voluntary sector through HCF Training & Development.
6. Increasing HCF's profile amongst its key audiences.
7. Ensuring HCF operates with financial sustainability.

Public benefit

The Trustees have referred to The Charity Commission's general guidance on public benefit when reviewing HCF's aims and objectives and in planning future activities and can confirm that public benefit is delivered through:

- Building endowed funds and delivering pass through funding to provide long term sustainable grant making to the local community
- Providing professional philanthropy, grant making and corporate responsibility services
- Providing grants programmes for charities and the voluntary sector across Hertfordshire
- Undertaking research to identify need in Hertfordshire to inform HCF's grants strategy, engage with donors and demonstrate knowledge of the local community

Social Investment

In April 2014 a community resource was opened in the form of the Nigel Copping Community Building in Stanstead Abbots. HCF continues to work closely with its tenant, Community Alliance Broxbourne and East Herts, ensuring the building serves as a community asset with fully equipped meeting rooms and a community hall.

Volunteers

HCF's activities, in particular in the areas of administration and grant support, are enhanced by the help of a small team of dedicated volunteers for which we are hugely grateful. Being able to welcome volunteers back to the office in person has been a welcome development.

Grant making policy

When awarding grants, HCF aims to be equitable, inclusive, fair, transparent, professional and effective. We want to ensure that we are open and accessible to the wide range of groups and causes who could benefit while remaining true to the wishes of our donors and the needs of the county.

The Grant Making Policy relates to the grant making activity within HCF and provides a clear and consistent guide and shows how we intend to operate to the highest grant making standards.

It is our intention that all grant making and fund development activities are co-ordinated to meet the needs and objectives of HCF, the individual fund holders, the grantees and the county as a whole.

ACHIEVEMENTS AND PERFORMANCE

The Trustees are pleased to report on behalf of its donors and funders that HCF awarded 694 grants with a combined value of £3,850,091, the fourth consecutive year in which grants in excess of £1m have been awarded. The significant growth in grant making reflects a growth in pass through funds, notably from Hertfordshire County Council (in respect of the Holiday Activities Programme funded by the Department of Education and a Community Opportunities programme in support of older people), The Police and Crime Commissioner and other major funders who supported HCF during the year.

In total HCF has awarded in excess of £21.8m in grant aid since it was founded in 1988.

Hertfordshire Community Foundation

In addition to its grant making activity, HCF manages over 100 endowment funds on behalf of its donors. HCF's endowment fund reserve stands at £13,690,027 as of March 2022. This represents a £677,711 increase on the year end position at 31 March 2021.

HCF also continues to support other groups directly with affordable rented office space and an accessible meeting room at Foundation House.

Grant making

HCF distributed a total of 694 grants to groups and individuals totalling £3,850,091 (2021: 567 grants totalling £2,237,497) reaching in excess of 100,000 beneficiaries. These figures exclude HCF Training & Development grants which are detailed in the HCF Training & Development section below.

420 grants were made to 291 local groups and organisations. Grants awarded include:

- £2,314,673 from the Department for Education funded, Hertfordshire County Council (HCC) Holiday Activities and Food Fund making 208 grants averaging £11,128 per grant.
- £221,861 from Hertfordshire County Council for the Community Opportunities and Day Activities programme making 13 grants averaging £17,066 per grant
- £385,449 from HCF's named endowment funds making 85 grants with an average grant of £4,534
- £230,178 from a major donor programme making 20 grants averaging £11,509
- £69,767 total grants advised by donors to 30 groups average grant £2,326
- £145,312 HCC Covid-19 local support grants to fund 27 groups with an average grant of £5,382
- £90,000 from Hertfordshire County Council for the Vaccine Inequality Programme to fund 23 groups averaging £3,913
- £81,709 from the PCC Action Fund for Hertfordshire, supporting 18 groups with an average grant of £4,539
- £96,081 from the National Emergencies Trust and DCMS plus donor match funded Covid19Phase2 Recovery fund supporting 17 groups with an average grant of £5,652
- £56,755 from national programme Made By Sport making 28 grants averaging £2,027

202 grants were made to individuals and families to a total value of £53,026 including:

- £51,704 through Hertfordshire Children's Fund grants programme supporting 199 families with an average grant of £260
- £1,322 to 3 individuals from the St Albans Care Leavers' Fund

HCF Training & Development:

- 33 online courses and 4 in person courses delivered to 368 attendees over 112 training hours; 140 unique organisations benefitted from our training programme
- 27 tutors gained Level 3 Award in Education and Training
- Supported 7 volunteer managers via Action Learning sets
- Delivered 1:1 advice and guidance to 29 organisations through HCF's team of advisors via Organisational Needs Analysis
- 11 organisations benefitted from up to 4h of tailored consultancy
- Awarded £42,626 in workforce development grants to 27 organisations benefiting directly 584 individuals, indirectly benefitting 1,404 people within funded organisations and over 40,000 of external beneficiaries.

Hertfordshire Community Foundation

- Through our safeguarding training courses via in house or open courses, HCF trainers trained 342 individuals in safeguarding adults at risk across 23 courses.

FINANCIAL REVIEW

Financial position

HCF's endowment funds reserve totalled £13,690,027 representing an increase of £677,711 over the previous year reflecting a slight pickup in the market and also the addition of two new endowment funds and further donations from existing fundholders.

This year's accounts show a surplus of £200,752 (2021: £607,169). This reflects continued growth in pass through grant making programmes and timing differences across the financial year end between the receipt and disbursement of funds. It also demonstrates continued robust and careful financial management. A small portion (just under 8%) of the surplus has been set aside to allow HCF to invest in its IT infrastructure which in turn will lead to greater working efficiencies.

Income for grant making increased significantly during the year with £3,892,717 being distributed in grant aid including grants for training and development. This increase was due to several major pass through funds, notably from Hertfordshire County Council.

- The total balance of funds at 31 March 2022 was £14,786,410 (2021: £13,964,226).
- Endowment funds totalled £13,690,027 at 31 March 2022 (2021: £13,012,316). Of these funds, £607,619 (2021: £607,619) represents social investment (the Nigel Copping Community Building) that could only be realised by disposing of the assets.
- Restricted funds totalled £1,014,041 at 31 March 2022 (2021: £948,551).
- The balance of unrestricted funds at 31 March 2022 was £82,343 (2021: £3,359).
- HCF's Income, including new income from fund development, totalled £4,802,252 (2021: £3,404,756). This represents an increase of 41%.
- Grant making as a percentage of total expenditure is 85% at 31 March 2022 (2021: 80%, 2020: 68%, 2019: 69%, 2018: 65%, 2017: 50%)

Operations and governance

HCF's charitable activity, taken as a percentage of overall activity, was 97.1% (2021: 95.7 %). Governance costs, as a percentage of overall costs, were 0.85% (2021: 1.4%). The cost of generating income, as a percentage of total income, was 11.3%. Trustees will continue to keep such statistics under review to ensure HCF manages its operations effectively.

Investment policy and performance

Investments are held in accordance with the powers of the trustees set out in the Articles of Association.

The investment objective is to achieve an overall return on the investments within the risk appetite set by the trustees and to provide financial returns to support stable and growing grant distribution across Hertfordshire.

The Board of Trustees meets with the Fund Managers twice yearly, with other contact between meetings as required.

Hertfordshire Community Foundation

Total return from our investments with Rathbones for the year was 5.7% which compares to the market benchmark of 8.6%, and the peer group (ARC, Charity Steady Growth Index) of 6.3%.

Total return from our investments with CCLA for the year was 11.6% which compares to the market benchmark of 11.8%, and the peer group (ARC, Charity Steady Growth Index) of 6.3%.

The Trustees look for a mix of Income return and longer-term capital growth, with an overall return in line with the market average for charities, measured against a leading benchmark.

The extent to which social, environmental or ethical considerations are taken into account in decisions that may affect the value of the funds is left to the discretion of the Investment managers. The Trustees' policy is to delegate responsibility to the investment manager for the exercising of rights, (including voting rights) attaching to the Investments.

More recently HCF has elected to transfer funds held by CCLA from the CCLA Charity Fund to the similarly performing CCLA Ethical Fund. This decision reflects HCF's commitment to supporting environmental matters and its desire to be socially conscious.

HCF's assets are available and adequate to fulfil its obligations on a fund by fund basis.

Risk management

A register tracking potential major risks is monitored and reviewed at every Board of Trustees meeting and by the Governance Committee. The register identifies the risks, assesses the likelihood of an occurrence and the impact should it occur. It then identifies how the risk can be mitigated and specific actions required with, where appropriate, a timescale.

The Trustees have identified the possible financial risks as:

- a failure to control expenditure or to generate income to budget, for example investment performance
- A crash in investment markets reducing HCF's ability to draw down funds for grant making
- The risk of fraud by staff, volunteers or Trustees authorised to make payments or committing expenditure and failing to raise sufficient additional funds
- The loss of any major pass through funding programmes

Having considered the major risks to which HCF is exposed, the Trustees believe that they have systems in place to mitigate those risks.

Reserves policy

The Trustees have considered the level of unrestricted reserves necessary to ensure the continuation of HCF's activities for the foreseeable future. This assessment is ongoing and is part of the Board of Trustees' financial risk management.

HCF's unrestricted income derives from contributions levied for the delivery of grant programmes and the management of funds, donations, sponsorship, events and gifts from both corporate and private sources. As a result, the Trustees believe that there is no justification for holding significant unrestricted reserves.

HCF's policy is to hold six months of operating costs in cash to manage the charity's liquidity.

PLANS FOR THE FUTURE

1. Develop local philanthropy and income
2. Deliver impactful grant programmes that address local need
3. Provide community leadership through research and training opportunities
4. Continue to improve operational systems to deliver service excellence

Strategic objectives

1. To consistently award grants totalling in excess of £1.5 million per year by 2025 to tackle need and deprivation in Hertfordshire.
2. To grow HCF's endowment to £15m+ by 2025 by raising HCF's profile amongst its key target audiences and maximising any future match funding opportunities.
3. To become Hertfordshire's leading provider of VCSE training, support, capacity building and insight by 2025 supporting both adult and children's service organisations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hertfordshire Community Foundation is a company limited by guarantee (8794474) and a registered charity (1156082) governed by its Memorandum and Articles of Association. The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are referred to as the trustees.

At 31 March 2022, the Foundation had 13 Trustees. The Trustees meet quarterly. Between these main Trustee meetings, business is conducted through the following committees:

- Audit and Investment
- Communications and Development
- Governance
- Grants
- Research and Impact
- Staff and Volunteers

Terms of reference for each committee set out the delegated powers. The delegated responsibility of the Governance Committee includes searching for new Trustees with appropriate skills and background, for recommendation to the Trustees. New Trustees are then appointed by a resolution passed by a majority of at least two-thirds of the existing Trustees. Prior to appointment, prospective trustees are interviewed by members of the Governance Committee and meet with the Foundation Director. New Trustees receive an information pack including the Memorandum and Articles of Association, accounts, business plan, role description and other HCF literature.

The day-to-day management of HCF is delegated to the Foundation Director. The Foundation Director reports to the Board of Trustees at quarterly meetings with one additional Board meeting used as a strategy planning session.

Pay and remuneration for staff is reviewed annually by the Staff and Volunteers Committee and a proposal is presented to the Board of Trustees for ratification.

At 31 March 2022, there were 12 part time and 1 full time members of staff. The Foundation is also assisted by a

Hertfordshire Community Foundation

group of dedicated volunteers.

HCF is a quality accredited member of UK Community Foundations, the membership organisation that supports and promotes community foundations operating across the UK.

Pension liability

As described in note 1 the charity makes payments to a defined contribution pension scheme for its employees, paying contributions as they fall due.

Hertfordshire's charity and voluntary sector

The local voluntary sector remains under pressure as it recovers from the impact of the pandemic and as it faces significant increases in operating costs due to rising energy costs and rising inflation.

Hertfordshire Community Foundation

REFERENCE AND ADMINISTRATIVE DETAILS

Foundation office and registered address

Foundation House, 2 - 4 Forum Place, Fiddlebridge Lane, Hatfield, Hertfordshire, AL10 0RN

Statutory Auditor

Myers Clark, Chartered Accountants, Eagle 1, 80 St Albans Road, Watford, Hertfordshire, WD17 1DL

Bankers

National Westminster Bank plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1AB

Investment managers

- CCLA Senator House | 85 Queen Victoria Street | London | EC4V 4ET
- Rathbone Brothers Plc, 8 Finsbury Circus, London EC2M 7AZ (from 21/11/17)

Solicitors

- Taylor Walton, 107 Holywell Hill, St Albans, Hertfordshire, AL1 1HQ

Statement of responsibilities of the Trustees

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation

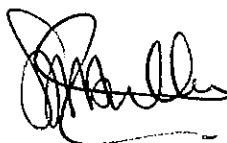
The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this has been communicated to the auditors.

By order of the Trustees on 26.09.22.



Henry Holland-Hibbert
Chair of Trustees



Simon Tilley
Audit Committee Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HERTFORDSHIRE COMMUNITY FOUNDATION FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Hertfordshire Community Foundation ('the charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 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 12 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 contained within the trustees' annual report. 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.

Hertfordshire Community Foundation

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 the 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 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 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, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Hertfordshire Community Foundation

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Employment law.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

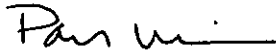
This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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

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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.



Paul Windmill (Senior Statutory Auditor)

Dated: **25.11.2022**

For and on behalf of Myers Clark, Statutory Auditor
Egale 1, 80 St Albans Road
Watford
Hertfordshire, WD17 1DL

Hertfordshire Community Foundation

Statement of Financial Activity (incorporating an income and expenditure account)

For the year ended 31 March 2022

Income and Endowments from:	note	Unrestricted		Restricted		Endowment		Total		Unrestricted		Restricted		Endowment		Total	
		Funds	£	Funds	£	Funds	£	2022	£	Funds	£	Funds	£	Funds	£	2021	£
Donations and Legacies	2	66,739	3,823,653	158,276	4,048,668	6,728	2,601,646	151,242	2,759,616	52,635	299,509	0	352,144	11,090	37,894	255,102	3,404,756
Charitable Activities	3	40,372	355,927	0	396,299	26,805	0	497	1,222	86,664	2,902,377	2,806	119,455	149,130	2,678,131	2,797,587	2,276,473
Other Trading Activities	4	53,039	0	15,933	68,972	247,873	2,281,129	364,298	2,281,353	0	33,447	2,243,026	2,276,473	2,506,805	2,883,643	0	0
Investments	5	485	1,444	286,382	288,311	272,687	(204,795)	(4,947)	449,676	2,438,914	2,883,643	10,573,403	11,080,583	13,012,316	13,964,226	13,012,316	13,964,226
Total		160,635	4,181,024	460,591	4,802,250	116,425	224	119,455	2,797,587	2,243,026	2,276,473	2,506,805	2,883,643	10,573,403	11,080,583	13,012,316	13,964,226
Expenditure on:																	
Raising Funds	6	122,172	7,439	4,163	133,775	247,873	2,281,129	364,298	2,281,353	0	33,447	2,243,026	2,276,473	2,506,805	2,883,643	0	0
Charitable activities	7	317,200	3,907,525	242,999	4,467,723	247,873	2,281,129	364,298	2,281,353	0	33,447	2,243,026	2,276,473	2,506,805	2,883,643	0	0
Total		439,372	3,914,964	247,162	4,601,498	116,425	224	119,455	2,797,587	2,243,026	2,276,473	2,506,805	2,883,643	10,573,403	11,080,583	13,012,316	13,964,226
Net gains/(losses) on investment assets		0	6,772	614,658	621,430	(277,634)	654,471	(4,947)	449,676	2,438,914	2,883,643	10,573,403	11,080,583	13,012,316	13,964,226	13,012,316	13,964,226
Net income/(expenditure)		(278,737)	272,832	828,088	822,184	(277,634)	654,471	(4,947)	449,676	2,438,914	2,883,643	10,573,403	11,080,583	13,012,316	13,964,226	13,012,316	13,964,226
Transfers between funds		357,720	(207,342)	(150,378)	0	272,687	(204,795)	(4,947)	449,676	2,438,914	2,883,643	10,573,403	11,080,583	13,012,316	13,964,226	13,012,316	13,964,226
Net movement in funds		78,983	65,490	677,710	822,184	(4,947)	449,676	(4,947)	449,676	2,438,914	2,883,643	10,573,403	11,080,583	13,012,316	13,964,226	13,012,316	13,964,226
Reconciliation of funds																	
Total funds brought forward		3,359	948,550	13,012,316	13,964,225	8,306	498,874	8,306	498,874	8,306	498,874	8,306	498,874	8,306	498,874	8,306	498,874
Total funds carried forward		82,342	1,014,040	13,690,026	14,786,410	3,359	948,550	3,359	948,550	3,359	948,550	3,359	948,550	3,359	948,550	3,359	948,550

Hertfordshire Community Foundation
Balance Sheet
As at 31 March 2022

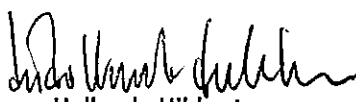
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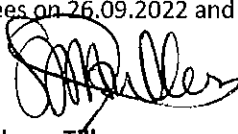
		2022	2021
	note	£	£
Fixed assets			
Tangible assets	15	658,734	670,826
Investments	16	12,733,520	11,355,507
Mixed motive investments	17	607,619	607,619
		13,999,873	12,633,952
Current assets			
Debtors	18	18,810	79,145
Cash at bank and in hand		864,289	1,428,230
		883,099	1,507,375
Liabilities			
Creditors: amounts due within one year	19	(96,563)	(177,101)
Net current assets		786,537	1,330,274
Total net assets		14,786,410	13,964,226
The funds of the charity	23		
Endowment funds			
General		10,427,385	10,385,148
Revaluation reserve		3,262,642	2,627,168
		13,690,027	13,012,316
Restricted income funds		1,014,041	948,551
Unrestricted funds		82,343	3,359
		14,786,410	13,964,226

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the trustees on 26.09.2022 and signed on their behalf by:


Henry Holland - Hibbert
Chairman of Trustees


Simon Tilley
Audit Committee Chairman

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (note i)	(87,144)	435,493
Cash flows from investing activities:		
Dividends, interest and rents from investments	288,311	255,102
Purchase of property plant and equipment	(8,360)	(4,579)
Proceeds from sale of investments	0	399
Purchase of investments	(756,749)	0
Net cash provided by (used in) investing activities	(476,798)	250,922
 Change in cash and cash equivalents in the reporting period	 (563,942)	 686,415
Cash and cash equivalents at beginning of the reporting period	1,428,230	741,815
Cash and cash equivalents at end of the reporting period (note ii)	864,289	1,428,230
 Note i		
Net Income/ (expenditure) for the reporting period (as per the Statement of Financial Activities)	822,184	2,883,640
 Adjustment for:		
Depreciation	20,453	18,757
(Gains)/Losses on investments	(621,266)	(2,276,471)
Dividends, interest and rents from investments	(288,311)	(255,102)
(Increase)/decrease in debtors	60,335	139,643
Increase/(decrease) in creditors	(80,538)	(74,973)
Net cash provided by (used in) operating activities	(87,143)	435,494
 Note ii		
Analysis of cash and cash equivalents		
Cash in hand	864,289	1,428,230
	864,289	1,428,230

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS102) effective 1 January 2019 (SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Ireland and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Significant accounting policies are listed below.

Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Funds structure

Endowment Funds

These represent incoming resources that are required to be retained or invested for the use of the charity's objectives.

Restricted Funds

These represent income received where restrictions on use, as determined by the donor, which are narrower than the charity's general objects

Unrestricted Funds

These represent income which can be used for the general objects of the charitable company as determined by the Board of Trustees.

Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1. Accounting policies (continued)

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. All expenses, including support costs and governance costs are allocated or apportioned to the applicable expenditure heading as follows:

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions as well as the cost of any activities with a fundraising purpose and their associated support costs.

Expenditure on charitable activities includes the costs of activities undertaken to further the charitable aims and objectives of the charity and their associated support costs.

Other costs represent those items not falling into any other heading.

Allocation of costs

Expenditure that is directly attributable to delivery of the charities activities or raising funds is allocated to the activity to which it relates.

Support costs comprise costs incurred in support of these activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spent on each activity during the financial year.

Grant funding

Grants payable are payment made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity. Provisions for grants are made when the intention to make the grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable.

1. Accounting policies (continued)

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Depreciation of tangible fixed assets

Items of equipment over £500 are capitalised and valued at historic cost. Depreciation is charged when assets are brought into use to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Computer Equipment	-	33 1/3 % p.a. on a straight line basis
Furniture and Fittings	-	20% p.a. on a straight line basis
Freehold Property	-	Over 50 years
Freehold Improvements	-	Over period remaining to 50 years

Investments

Listed Investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid-market value.

Mixed motive investments comprise property owned by the charity but used by third parties to undertake activities that promote the charity's aims. Income generated is incidental to the main purpose of the investment rather than the purpose of the investment. Mixed motive investments are initially recognised and subsequently measured at transaction value less any impairment.

Pension Contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the year they are payable.

2. Income from donations and legacies

	2022	2021
	£	£
Donations	4,041,272	2,756,061
Other grants	-	-
Membership	7,396	3,555
	4,048,668	2,759,616

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

3. Income from charitable activities

	2022	2021
	£	£
Performance related grants	355,927	299,509
Lettings	13,372	11,635
Management fees	27,000	41,000
	396,299	352,144

Included in performance related grants is £130,565 (2021: £182,932) made by local authorities to fund the Workforce Development Programme for the voluntary sector in Hertfordshire. At 31 March 2022, the performance criteria had been fully met.

HCF continues to manage funds on Crowdfund Hertfordshire platform.

In 2021-22 £73,491 of funds were pledged to 29 projects via 4 funds provided by HCC and Hertsmere Borough Council and East Herts Council. These projects were supported by 2402 supporters which amounted to £239,551 raised by the community. East Herts Council's fund stopped after revision of the pilot and The Sustainable Hertfordshire fund was launched in December provided by HCC.

4. Income from other trading

	2022	2021
	£	£
Rent	46,833	37,864
Fundraising	22,139	30
Sponsorship	-	0
	68,972	37,894

5. Income from Investments

	2022	2021
	£	£
Listed Investments – within the UK	287,826	254,605
Bank interest	485	497
	288,311	255,102

6. Expenditure on raising funds

	2022	2021
	£	£
Direct costs	6,480	4,689
Support costs	127,294	114,766
	133,774	119,455

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

7. Expenditure on charitable activities

Activity or Project	Direct	Grant	Grants	Support	Total
Current Year	Activity	Institutions	Individuals	Costs	2022
	£	£	£	£	£
Grants programme (note 9)	-	3,783,978	66,114	290,910	4,141,001
HCF Training & Development	177,347	39,325	-	-	216,672
Rowlandson Sponsorship	6,550	-	-	-	6,550
Crowdfunder	103,500	-	-	-	103,500
	287,397	3,823,303	66,114	290,910	4,467,723
Prior Year	Direct	Grant	Grants	Support	Total
	Activity	Institutions	Individuals	Costs	2021
	£	£	£	£	£
Grants programme (note 9)	-	2,182,829	29,953	226,855	2,439,637
HCF Training & Development	97,203	24,715	-	-	121,918
Rowlandson Sponsorship	8,577	-	-	-	8,577
Crowdfunder	108,000	-	-	-	108,000
	213,780	2,207,544	29,953	226,855	2,678,132

8. Support Costs

	2022	2021
	£	£
<i>Support</i>		
Staff Costs	264,793	223,950
Premises	34,886	22,188
Office costs	39,478	22,244
Depreciation	20,453	18,757
Other	27,083	16,362
	386,693	303,501

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

8. Support Costs (continued)	2022	2021
	£	£
<i>Governance</i>		
Staff costs	19,283	23,977
Trustee expenses	20	-
Audit fees	11,000	10,360
Professional and legal fees	0	2,609
Trustee indemnity insurance	1,209	1,175
Other	--	-
	31,512	38,121
Total	418,204	341,622
Allocated to activities: based on staff time		
Raising funds	127,295	114,767
Charitable Activities	290,909	226,855
	418,204	341,622

9. Grant making

Current Year	Grants to institutions £	Grants to Individuals £	Total 2022 £
Fairness	2,534,285	66,114	2,600,399
Housing	4,844	-	4,844
Safety	99,246	-	99,246
Healthy Living	109,273	-	109,273
Strong Communities	648,492	-	648,492
HCF Training & Development	237,539	-	237,539
Environment	22,447	-	22,447
Emergency Coronavirus Response	127,852	-	127,852
	3,783,978	66,114	3,850,092

A full list of awards made can be found at: www.hertscf.org.uk

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

Prior Year	Grants to institutions £	Grants to Individuals £	Total 2021 £
Fairness	288,222	29,953	318,175
Housing	3,372	-	3,372
Safety	20,730	-	20,730
Healthy Living	492,347	-	492,347
Strong Communities	73,998	-	73,998
HCF Training & Development	24,715	-	24,715
Environment	4,000	-	4,000
Emergency Coronavirus Response	1,300,160	-	1,300,160
	2,207,544	29,953	2,237,497

10. Net income for the year

This is stated after charging/(crediting):

	2022 £	2021 £
Depreciation	20,453	18,757
Auditors' remuneration (excluding VAT)		
Audit	9,167	8,633
Other services	-	-

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	303,653	258,102
Social security costs	21,564	17,332
Employer's contribution to defined contribution pension schemes	24,234	20,718
	349,451	296,152

No employees received employee benefits (excluding employer pension costs) during the year of more than £60,000 (2021: nil)

Total employee benefits including employer's national insurance and pension contributions of the key management personnel were £68,231 (2021: £67,552).

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2021: nil). No trustee received payment for professional services supplied to the charity (2021: nil)

Trustee expenses represent the payment or re-imbursment of travel and subsistence costs totalling £20 (2021: £0) incurred by 1 (2021: 0) member.

12. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022	2021
	No:	No:
Raising funds	2.6	2.1
Charitable Activities	6.5	5.0
Support	2.8	2.8
Governance	1.1	1.1
	13.0	11.0

13. Related party transactions

During the year, trustees donated a total of £65,140 to the charity (2021: £89,774). £35,000 (2021: £87,500) had restrictions placed upon them.

During the year, a total of £nil was received from Trustees for tickets to a fundraising event (2021: £Nil).

Terry Douris, a Trustee, is a Hertfordshire County Councillor.

There were no other related party transactions to disclose for the year (2021: none).

14. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

15. Tangible fixed assets

	Freehold land & buildings	Computer equipment	Furniture & equipment	Total
	£	£	£	£
Cost				
At beginning of year	874,666	44,092	83,303	1,002,061
Additions	0	8,360	0	8,360
Disposals				0
At end of year	874,666	52,452	83,303	1,010,421
Depreciation				
At beginning of year	213,652	41,966	75,616	331,234
Charge for the year	15,500	2,296	2,657	20,453
Disposals				0
				0
At end of year	229,152	44,262	78,273	351,687
Net book value				
At beginning of year	661,013	2,126	7,687	670,826
At end of year	645,513	8,190.31	5,030	658,733

Land with a value of £100,000 (2021: £100,000) is included within freehold property and not depreciated.

All the above assets are used for charitable purposes.

16. Investments

Listed Investments	2022	2021
	£	£
Fair value at the start of the year	11,355,505	9,079,433
Additions at cost	743,170	-
Disposal proceeds	(7,409)	(399)
Net gain/(loss) on change in fair value	636,650	2,276,471
Costs Charged	(15,822)	-
Equalisation	(1,802)	-
Cash invested	757,187	-
Cash re-invested	(733,959)	-
Fair value at end of the year	12,733,520	11,355,505

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

16. Investments (continued)

Historic cost at the end of the year	9,470,878	8,728,337
	2022	2021
	£	£
Listed investments all held within the UK comprise:		
Rathbone Unit Trust Management	8,288,403	7,271,873
COIF Charities Investment Fund	4,443,164	4,082,740
Cash held by brokers for re-investment	1,953	894
	12,733,520	11,355,507

17. Mixed motive investments

	2022	2021
	£	£
Freehold land and buildings		
Cost at start of the year	607,619	607,619
Additions	-	-
Cost at end of the year	607,619	607,619

This investment comprises a Community Resource Centre in East Hertfordshire funded by the Nigel Copping Fund.

18. Debtors

	2022	2021
	£	£
Trade debtors	8,892	39,274
Other debtors	0	3,771
Prepayments	4,204	6,350
Accrued income	5,714	29,750
	18,810	79,145

19. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3504	587
Other creditors	-	3,605
Accruals	34,553	120,759

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

Deferred Income (note 20)	58,506	52,150
	96,563	177,101

20. Deferred income

	2022	2021
	£	£
Balance at the beginning of the year	52,150	91,755
Amount released to income in the year	(102,324)	(112,978)
Amount deferred in the year	108,680	73,373
Balance at the end of the year	58,506	52,150

21. Analysis of net assets between funds

Current Year	Unrestricted	Restricted	Endowment	Total
	£	£	£	2022
				£
Tangible fixed assets	13,221	-	645,513	658,734
Investments	-	-	12,733,520	12,733,520
Mixed motive investments	-	-	607,619	607,619
Net current assets	69,122	1,014,041	(296,626)	786,537
Net assets at the end of the year	82,343	1,014,041	13,690,026	14,786,410

Prior Year	Unrestricted	Restricted	Endowment	Total
	£	£	£	2021
				£
Tangible fixed assets	9,813	-	661,013	670,826
Investments	-	-	11,355,507	11,355,507
Mixed motive investments	-	-	607,619	607,619
Net current assets	(6,454)	948,551	388,177	1,330,274
Net assets at the end of the year	3,359	948,551	13,012,316	13,964,226

22. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	2022	2021
	£	£
Less than one year	743	555
1-5 years	744	2,045
	1,487	2,600

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

23. Movement in funds

Current Year	At the start of the year	Income	Expenditure	Gains or (losses)	Transfers	At the end of the year 2022
	£	£	£	£	£	£
Endowment funds						
General	4,592,107	246,253	-44,325	161,256	8,510	4,963,801
Grassroots	3,642,907	77,973	-80,124	99,324	-54,041	3,686,039
Communities First	4,116,288	136,366	-122,713	354,079	-104,847	4,379,173
Property	661,014	0	0	0	0	661,014
	13,012,316	460,592	-247,162	614,659	-150,378	13,690,027
Restricted funds						
Restricted Income Funds	854,485	3,928,598	-3,691,742	6,772	-187,663	910,450
Herts Training & Development	94,065	245,877	-216,672	0	-19,680	103,591
Rowlandson Sponsorship	0	6,550	-6,550	0	0	0
	948,550	4,181,025	-3,914,964	6,772	-207,343	1,014,040
Unrestricted						
General	3,359	160,636	-439,373	0	357,720	82,343
	3,359	160,636	-439,373	0	357,720	82,343
Total Funds	13,964,225	4,802,253	-4,601,499	621,430	-	14,786,410

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2022

23. Movement in funds (continued)

Prior Year	At the start of the year	Income	Expenditure	Gains or (losses)	Transfers	At the end of the year 2021
	£	£	£	£	£	£
Endowment funds						
General	3,470,602	184,326	(28,583)	881,448	84,314	4,592,107
Grassroots	3,008,693	106,450	(75,272)	662,386	(59,352)	3,642,907
Communities First	3,417,592	124,938	(48,081)	699,192	(77,354)	4,116,287
Property	676,515	-	-	-	(15,500)	661,015
	10,573,402	415,714	(151,936)	2,243,026	(67,891)	13,012,316
Restricted funds						
Restricted Income Funds	440,698	2,710,868	(2,150,860)	33,447	(179,668)	854,485
HCF Training & Development	58,178	182,932	(121,916)	-	(25,128)	94,066
Rowlandson Sponsorship	-	8,577	(8,577)	-	-	-
	498,876	2,902,377	(2,281,353)	33,447	(204,796)	948,551
Unrestricted						
General	8,306	86,664	(364,298)	-	272,687	3,359
	8,306	86,664	(364,298)	-	272,687	3,359
Total Funds	11,080,584	3,404,756	(2,797,587)	2,276,473	-	13,964,226

Accounts

Company Registration No: 08794474

Charity Registration No: 1156082

HERTFORDSHIRE COMMUNITY FOUNDATION
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Hertfordshire Community Foundation

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

CHAIRMAN'S STATEMENT

I am pleased to present the Trustees' Annual Report and Financial Statements for the year ended 31 March 2021.

While the previous year was unpredictable, unprecedented and challenging, it was also a very rewarding year to be Chair of HCF.

As the pandemic took a grip on the world, here in Hertfordshire our efforts turned immediately to local response. How could HCF step up and make a real difference to local groups and organisations at a time of crisis? As lockdown hit, HCF began taking calls from well established grass root groups who instantly recognised the dire consequences of the situation. Facing increased demand for support and dramatic cuts in income, HCF launched an emergency response fund within 48 hours and in parallel an emergency appeal began. By the end of the financial year over £2 million in grant aid had been distributed reaching over 50,000 local people.

It has been a year like no other, and a year in which the local voluntary and charity sector has truly shone. We have seen an increase in collaboration across the sector, numerous examples of innovation and countless examples of local people doing extraordinary things. From charity workers helping the homeless off the streets to volunteers providing counselling services to those struggling with increased isolation and declining mental health.

HCF's ability to respond to the pandemic was only possible thanks to the generosity of our supporters. Special thanks go to our fundholders, the Police and Crime Commissioner, Hertfordshire County Council and to the National Emergencies Trust. Thanks also go to everyone who raised funds locally through beard growing, scarf knitting and even a sponsored silence. We have all been humbled and inspired.

While we have ended the year with a healthy surplus (which will be invested back into HCF's endowment to increase future grant making) we are acutely aware that the local voluntary and charity sector is facing a tough time. Demand for services remains high when emergency response funding streams are likely to dry up. HCF knows it has a challenge ahead to sustain and grow its grant making and increase its impact in Hertfordshire. Growing HCF's endowment funds is now one of our key priorities.

HCF's ability to make an impact in the county is the result of an extraordinary team effort by a group of dedicated staff, volunteers and donors. My gratitude goes to our loyal team as we work to make Hertfordshire a better county for everyone.

Lastly, I would like to thank my fellow Trustees for their guidance and unfailing commitment in all that we do.



Henry Holland-Hibbert
Chairman

Hertfordshire Community Foundation

INTRODUCTION

The trustees present their report and accounts for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and 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 the Republic of Ireland (SORP FRS 102) – effective 1 January 2019.

ADMINISTRATIVE DETAILS

Trustees, staff and long-term volunteers who served during the year and up to the date of this report were:

President

The Lord Lieutenant of Hertfordshire

Ambassadors

The Foundation is advised by a group of people with a strong interest in the success of our work.

Trustees

Henry Holland-Hibbert	Chair of Trustees, Audit and Communications & Development Committees
Anna Bates	Grants Committee
Sally Burton DL	Grants Committee (Chair)
Jill BurrIDGE	Research and Impact Committee (Chair) and Communications & Development Committees
Cllr Terry Douris	Audit committee
Suzy Harvey DL	Grants, Research and Impact and Staffing Committees
Will Hobhouse	Communications and Development Committee (Chair)
Gus Machado	Governance and Research & Impact Committees
John Saner	Governance Committee (Chair)
Simon Tilley	Audit Committee (Chair)
Maggie Turner OBE	Grants and Research & Impact Committees (resigned 20/10/2020)
Suzanne Westlake	Grants Committee
James Williams MBE	Staffing (Chair), Grants and Governance Committees

Staff

Helen Gray	Foundation Director
Georgina Bawden	Grants Manager
Simone Deans	Office Manager (from May 20)
Susan Dolton	Grants Manager (from Feb - Dec 20)
Helen Doubal	Head of Grants
Nicky Fawcett	Grants Manager – HAPpy programme (from May 21)
Louise Marron	Project Manager (HCF Training & Development)
Danielle Hood	Marketing Officer
Linn Moyster	Bookkeeper/Finance Manager (Sept 20 – Feb 21/from Feb 21)
Maureen Palmer	Grants Administrator
Ana Siewniak	Project Coordinator (HCF Training & Development)
Nicola Stokes	Grants Manager
Jack Tang	Training & Development kickstart apprentice (from Apr 21)
Susan Waite	Finance Manager (to Feb 21)

Hertfordshire Community Foundation

OBJECTIVES AND ACTIVITIES

Hertfordshire Community Foundation's (HCF) objectives, as set out in the governing document, are to benefit the community in the county of Hertfordshire and immediate area, in particular to advance education, protect mental and physical health and relieve poverty.

HCF is the natural port of call for grant making and philanthropy in the county of Hertfordshire. We work in partnership with individuals, companies and other organisations across every sector of the community to build a better life for all.

Hertfordshire is generally perceived as an affluent county. However, this hides the reality for many, and Hertfordshire has places where need and deprivation is in the worst 10% in the UK - highlighted by HCF through its independent 'Hertfordshire Matters 2020' research. Regrettably all social need highlighted in this report has been exacerbated by the ongoing impact of Covid-19 demonstrating the importance of local insight.

To meet local need, HCF offers a professional and flexible service to assist donors, whether individuals, companies or trusts, as well as public authorities and agencies to achieve their local charitable giving objectives.

HCF further endorses its charitable purposes for the public benefit through its vision and mission statements, together with its grant making policy.

Responding to the pandemic

Over the past year, HCF focussed its grant making on emergency relief to provide vital support to groups and organisations providing front line services to those most adversely impacted by the pandemic. In addition, HCF Training & Development adapted its provision by revising courses offered and by taking all learning online. In the two months that followed lockdown 1, HCF Training & Development trained more than 1,000 local volunteers who had stepped forward in response to the pandemic, HCF launched an emergency appeal and an emergency response grants programme was opened. Additionally, HCF committed to responding to grant requests on a rolling basis to ensure funds were distributed quickly reflecting the impact of the pandemic on the county.

Vision and Mission

Following a strategic review in February 2021, HCF's Vision and Mission statements were confirmed as following:

Our Vision: A county where generous communities work together to enhance the quality of lives in Hertfordshire.

Our Mission: To help those in most need in Hertfordshire by raising funds and connecting philanthropy to community needs and opportunities.

This will be achieved by:

1. Understanding the needs and challenges in the county through our Hertfordshire Matters project to direct funds strategically and to advise donors.
2. Better understanding the impact of HCF's activities on both beneficiaries and the wider community.
3. Generating new and repeat funding by providing professional philanthropic services to all donors through informed advice and excellent stewardship.
4. Providing an efficient, effective and supportive grant making services targets to address identified need.
5. Developing a stronger, effective and more sustainable voluntary sector through HCF Training & Development.
6. Increasing HCF's profile amongst its key audiences.
7. Ensuring HCF operates with financial sustainability.

Hertfordshire Community Foundation

Public benefit

The Trustees have referred to the charity commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and can confirm that public benefit is delivered through:

- Building endowed funds and delivering pass through funding to provide long term sustainable grant making to the local community
- Providing professional philanthropy, grant making and corporate responsibility services
- Providing a grants programme for charities and the voluntary sector across Hertfordshire
- Undertaking research to identify need in Hertfordshire to inform HCF's grants strategy, engage with donors and demonstrate knowledge of the local community

Social Investment

In April 2014 a community resource was opened in the form of the Nigel Copping Community Building in Stanstead Abbots. HCF continues to work closely with its tenant, CVS Broxbourne and East Herts, ensuring the building serves as a community asset with fully equipped meeting rooms and a community hall.

Volunteers

HCF's activities, in particular in the areas of administration and grant support, are enhanced by the help of a small team of dedicated volunteers for which we are hugely grateful. During the various lockdowns HCF was not able to draw on the support of its volunteers as extensively as it had during previous years but key pieces of work were supported and only delivered with thank to volunteers.

Grant making policy

When awarding grants, HCF aims to be equitable, inclusive, fair, transparent, professional and effective. We want to ensure that we are open and accessible to the wide range of groups and causes who could benefit while remaining true to the wishes of our donors and the needs of the county. In response to the pandemic grant applications were reviewed on a rolling basis by an emergency panel comprising the Foundation Director and Chair of the Grants Committee. This enabled HCF to distribute funds quickly and efficiently.

The Grant Making Policy relates to the grant making activity within the Foundation and provides a clear and consistent guide and shows how we intend to operate to the highest grant making standards.

It is our intention that all grant making and fund development activities are co-ordinated to meet the needs and objectives of HCF, the individual fund holders, the grantees and the county as a whole.

ACHIEVEMENTS AND PERFORMANCE

The Trustees are pleased to report on behalf of its donors and funders that HCF awarded 567 grants with a combined value of £2,237,497, the third consecutive year in which grants in excess of £1m have been awarded. The significant growth in grant making was only made possible thanks to the support of the National Emergencies Trust, Hertfordshire County Council, The Police and Crime Commissioner and other major funders who supported the local emergency response.

In total HCF has awarded in excess of £16m in grant aid since it was founded in 1988.

In addition to its grant making activity, HCF manages over 100 endowment funds on behalf of its donors. HCF's endowment fund reserve stands at £13,012,316 as of March 2021. This represents a £2,438,914 increase on the year end position at 31 March 2020 reflecting a bounce back in market investments. Two new endowment funds were established during the year and additionally several existing fundholders grew their funds further.

Hertfordshire Community Foundation

HCF also continues to support other groups directly with affordable rented office space and an accessible meeting room at Foundation House. Modest rental reductions were offered to two charity tenants in recognition of the challenging times they both faced.

Grant making

HCF distributed a total of 567 grants to groups and individuals totalling £2,237,497 (2020: 374 grants totalling £1,015,736) reaching in excess of 85,000 beneficiaries. These figures exclude HCF Training & Development grants which are detailed in the HCF Training & Development section below.

420 grants were made to 276 local groups and organisations. Grants awarded include:

- £996,000 from the National Emergencies Trust and DCMS emergency relief funding making 205 grants averaging £4,860 per grant.
- £489,520 from the HCC Clinically Extremely Vulnerable fund to 57 groups with an average grant of £8,588
- £293,407 from HCF's named endowment funds making 66 grants with an average grant of £4,445
- £116,263 from the Department for Education funded, Hertfordshire County Council (HCC) Holiday Activities Fund to 33 groups with an average grant of £3,523
- £85,870 from the HCC Covid-19 Winter grants fund to 17 groups with an average grant of £5,051
- £30,199 from the PCC Action Fund for Hertfordshire, supporting 8 groups with an average grant of £3,775
- £20,489 awarded to 1 group by a major donor
- £10,143 from the #iwill Fund including match funding supporting 2 groups with an average grant of £5,072

146 grants were made to Individuals to a total value of £29,953 including:

- £29,153 through Hertfordshire Children's Fund grants programme supporting 144 families with an average grant of £200
- £800 to individuals from the St Albans Care Leavers' Fund

HCF Training & Development:

- Provided training to 307 attendees across 27 courses in 2020/21 as part of the VCS Training Programme.
- In partnership with #TeamHerts Volunteering and the local CVS network, trained 1,028 people in 'volunteering with vulnerable adults in response to Covid-19'
- Trained 170 attendees through the new Better Board online programme
- Supported 22 CEOs and 14 Chairs through new action learning sets
- Provided tailored in-house governance training to 7 organisations
- Delivered 1:1 advice and guidance to 22 organisations through HCF's team of advisors
- Awarded £37,396 in workforce development grants to 30 organisations
- Welcomed 165 attendees to the online 2020 Trustee Training conference
- 8 organisations completed the adapted Building Effectiveness programme, successfully completing a 9 month, online improvement programme supported by HCF's advisors and volunteer business mentors, supported by a consortium of HCF fund holders.
- Worked in partnership with Herts Growth Hub to deliver two series of webinars to support 'mental health and wellbeing' in the workplace and to support local social enterprises.

Hertfordshire Community Foundation

FINANCIAL REVIEW

Financial position

The Foundation's endowment funds reserve totalled £13,012,316 representing an increase of £2,438,914 over the previous year as investments bounced back following the significant fall in March 2020 as the impact of Covid-19 hit investment markets.

This year's accounts show a significant and unusually large surplus of £126,798 (2020: £29,539). This reflects a significant increase in pass through grant making programmes which came on stream in response to the pandemic. It also demonstrates continued robust and careful financial management. Due to the size of the surplus, the majority of this will be invested back into HCF's endowment funds to help increase HCF's grant making capacity going forward.

Income for grant making increased significantly during the year with £2,237,497 being distributed in grant aid including grants for training and development. This increase was due to a number of major emergency pass through funds, notably from the National Emergencies Trust, DCMS, Police and Crime Commissioner and Hertfordshire County Council.

- The total balance of funds at 31 March 2021 was £13,964,226 (2020: £11,080,584).
- Endowment funds totalled £13,012,316 at 31 March 2021 (2020: 10,573,402). Of these funds, £607,619 (2020: £607,619) represents social investment (the Nigel Copping Community Building) that could only be realised by disposing of the assets.
- Restricted funds totalled £948,551 at 31 March 2021 (2020: £498,876), the increase representing new, fixed term donations that can only be used in accordance with donors' wishes.
- The balance of unrestricted funds at 31 March 2021 was £3,359 (2020: £8,306).
- HCF's income, including new income from fund development, totalled £3,404,756 (2020: £2,057,503). This represents an increase of 65.5%.

Operations and governance

HCF's charitable activity, taken as a percentage of overall activity, was 95.7% (90.5 % last year). Governance costs, as a percentage of overall costs, were 1.4% (2.8% last year). The cost of generating income, as a percentage of total income, was 10%. Trustees will continue to keep such statistics under review to ensure HCF manages its operations effectively.

Investment policy and performance

Investments are held in accordance with the powers of the trustees set out in the Articles of Association.

The investment objective is to achieve an overall return on the investments within the risk appetite set by the trustees and to provide financial returns to support stable and growing grant distribution across Hertfordshire.

The Board of Trustees meets with the Fund Managers twice yearly, with other contact between meetings as required. Total return for the year was 23.1% which compares to the market benchmark of 22.9%, and the peer group (ARC, Charity Steady Growth Index) of 23.5%. The Trustees look for a mix of income return and longer-term capital growth, with an overall return in line with the market average for charities, measured against a leading benchmark.

The extent to which social, environmental or ethical considerations are taken into account in decisions that may affect the value of the funds is left to the discretion of the investment managers. The Trustees' policy is to delegate responsibility to the investment manager for the exercising of rights, (including voting rights) attaching to the investments.

Hertfordshire Community Foundation

More recently HCF has elected to transfer funds held by CCLA from the CCLA Charity Fund to the similarly performing CCLA Ethical Fund. This decision reflects HCF's commitment to supporting environmental matters and its desire to be socially conscious.

HCF's assets are available and adequate to fulfil its obligations on a fund by fund basis.

Risk management

A register tracking potential major risks is monitored and reviewed at every Board of Trustees meeting and by the Governance Committee. The register identifies the risks, assesses the likelihood of an occurrence and the impact should it occur. It then identifies how the risk can be mitigated and specific actions required with, where appropriate, a timescale.

The Trustees have identified the possible financial risks as:

- a failure to control expenditure or to generate income to budget, for example investment performance
- A crash in investment markets reducing HCF's ability to draw down funds for grant making
- The risk of fraud by staff, volunteers or Trustees authorised to make payments or committing expenditure and failing to raise sufficient additional funds

Having considered the major risks to which the Foundation is exposed, the Trustees believe that they have systems in place to mitigate those risks.

In addition to reflect the ongoing impact of Covid-19 the risk register was reviewed in May 21 (and at all Board and Governance Committee meetings) to ensure any new risks were identified and mitigated against. It was agreed by the Board of Trustees that all such risks including a significant fall in the value of HCF's investments and endowment fund had been identified. The risk register will continue to be updated as and when the impact of the pandemic changes or evolves.

Reserves policy

The Trustees have considered the level of unrestricted reserves necessary to ensure the continuation of Hertfordshire Community Foundation's activities for the foreseeable future. This assessment is ongoing and is part of the Board of Trustees' financial risk management.

The Foundation's unrestricted income derives from contributions levied for the delivery of grant programmes and the management of funds, donations, sponsorship, events and gifts from both corporate and private sources. As a result, the Trustees believe that there is no justification for holding significant unrestricted reserves.

This policy has been reviewed in light of Covid-19 and it has been agreed that it is still valid.

PLANS FOR THE FUTURE

1. Develop local philanthropy and income
2. Deliver impactful grant programmes that address local need
3. Provide community leadership through research and training opportunities
4. Continue to improve operational systems to deliver service excellence

Hertfordshire Community Foundation

Strategic objectives

1. To award grants totalling in excess of £1.5 million per year by 2025 to tackle need and deprivation in Hertfordshire.
2. To grow HCF's endowment to £15m+ by 2025 by raising HCF's profile amongst its key target audiences and maximising any future match funding opportunities.
3. To become Hertfordshire's leading provider of VCSE training, support, capacity building and insight by 2025 supporting both adult and children's service organisations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hertfordshire Community Foundation is a company limited by guarantee (8794474) and a registered charity (1156082) governed by its Memorandum and Articles of Association. The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are referred to as the trustees.

At 31 March 2021, the Foundation had twelve Trustees. The Trustees meet quarterly. Between these main Trustee meetings, business is conducted through the following committees:

- Staff and Volunteers
- Governance
- Grants
- Communications and Development
- Research and Impact
- Audit and Investment

Terms of reference for each committee set out the delegated powers. The delegated responsibility of the Governance Committee includes searching for new Trustees with appropriate skills and background, for recommendation to the Trustees. New Trustees are then appointed by a resolution passed by a majority of at least two-thirds of the existing Trustees. Prior to appointment, prospective trustees are interviewed by members of the Governance Committee and meet with the Foundation Director. New Trustees receive an information pack including the Memorandum and Articles of Association, accounts, business plan, role description and other HCF literature.

The day to day management of the Foundation is delegated to the Foundation Director. The Foundation Director reports to the Board of Trustees at quarterly meetings with one additional Board meeting used as a strategy planning session.

Pay and remuneration for staff is reviewed annually by the Staff and Volunteers Committee and a proposal is presented to the Board of Trustees for ratification.

At 31 March 2021, there were 10 part time members of staff. The Foundation is also assisted by a group of dedicated volunteers.

Hertfordshire Community Foundation is a quality accredited member of UK Community Foundations, the membership organisation that supports and promotes community foundations operating across the UK.

IMPACT OF COVID-19

In accordance with the latest Charities SORP advice the impact of Covid-19 has been monitored closely by both the staff and Trustees. In addition to risks already identified in HCF's risk register it is anticipated that HCF will be impacted in the following ways:

Hertfordshire Community Foundation

Fundraising and event income

As social distancing measures ease HCF has plans in place to resume limited, small scale, face to face events including an Ambassador gathering in November 2021. A major fundraising dinner scheduled to take place in 2020 at Warner Brothers has been rescheduled to take place in May 22 when it is anticipated all social distancing measures will have been lifted. However, HCF will not commit to any major fundraising events in the year 2021/22 as it is acknowledged that there is still a risk associated with large gatherings.

Rental income

As anticipated two charitable tenants negotiated rental reductions in the year 2020/21. Similarly it is anticipated that some rental negotiations may take place in 2021/22 and this potential loss of income has been reflected in the 2021/22 budget. Similarly, since lock down 1 HCF has been unable to generate significant income from its board room which it previously rented regularly for external meetings. It is unlikely that HCF will generate significant income from letting the board room in 2021/22 due to social distancing restrictions and the move to online meetings and training. This reduction in income is also reflected in the 2021/22 budget.

Emergency relief fundraising

It is not anticipated that HCF will have to resume emergency relief grant making in 2021/22. However, in the event that a further major lockdown comes into force, HCF has in place a memorandum of understanding with the National Emergencies Trust and it is anticipated that further funding would be forthcoming. Additionally, HCF would once again launch a local appeal and an associated grants programme.

Endowment fund grant making

Following an uplift in investment performance in March 2021 the Board approved a grants budget based on a distribution of 4% of the value of HCF's endowed funds. This compares to a cautious distribution of 2% in the previous two financial year. This uplift in endowed grant funding is hugely welcome as demand for grant funding remains extremely high.

Community Opportunities Grants

At the start of 2020 HCF entered into a memorandum of understanding with Hertfordshire County Council to deliver a new community opportunities grants programme which was due to begin in March 2020. Following lockdown HCC understandably withdrew the scheme with a view to launching it in the future when lunch and community clubs for the elderly could reopen safely. This programme is now anticipated to begin in 2021 in line with the anticipated easing of lockdown. Half of the levy received to deliver this programme was ringfenced and should additional resource be required to deliver this programme, funding is in place to cover this.

Fundholders

HCF's 100+ fundholders are the bedrock of the organisation and together their funds generate grant making income and additionally through the quarterly levy applied to each fund, they make an invaluable contribution towards HCF's operating costs. It is this financial model that will support HCF in the months ahead ensuring HCF maintains a sound financial position despite a reduction in other income lines. While priority was given to distributing NET and DCMS funding in 2020/21 our attention will turn once again to focussing on supporting our fundholders and importantly, growing our fundholder base.

Staff and volunteers

HCF adapted its working practices to facilitate working from home from 17 March 2020. There have been several attempts to return to the office since this time but in line with government guidance this has not been possible on any scale. Several members of staff have adopted a hybrid model of working with some members working in

Hertfordshire Community Foundation

part from Foundation House and from home. This has worked well ensuring the office and phones are manned whilst providing an opportunity for team members to collaborate. Following a staff survey it is anticipated that the team will return to office working from September 2021 with requests for flexible working reviewed on a case by case basis in acknowledgement that the team remained highly productive during the various lockdowns.

Efforts have been made during this period to remain in contact with HCF's volunteers and it is hoped that several volunteers will be able to provide office based support over the summer months and beyond.

A detailed office risk assessment remains in place and under constant review to ensure HCF takes all reasonable measures to ensure the safety of its team and volunteers.

Grant making

In light of the pandemic the April 2020 grants round was put on hold and all applicants were contacted to discuss their plans. Within 48 hours of lockdown HCF had adapted its grant programmes to focus on emergency relief grant making and has subsequently awarded over 170 emergency relief grants. HCF's large and small grants programmes will resume operation from September reflecting the ability of some groups and organisations to begin to resume usual services.

Training and Development

HCF Training and Development adapted very quickly to a new way of working. With all face to face training cancelled the team developed an online offering. This included the training of over 1,000 local volunteers, in conjunction with #TeamHerts, who all stepped forward to support the county's pandemic relief efforts. A new series of training is currently under development to address inequalities including digital inclusion and unconscious bias. This reflects the disproportionate impact Covid-19 has had on minority communities and reflects HCF's commitment to do more to support those impacted by the pandemic. Going forward it is anticipated that HCF Training & Development will offer paid for online training combined with face to face training.

Pension liability

As described in note 1 the charity makes payments to a defined contribution pension scheme for its employees, paying contributions as they fall due.

Hertfordshire' charity and voluntary sector

The local charity and voluntary sector has been hit hard by the pandemic. Many groups and organisations have faced a dramatic loss in income as events have been cancelled and paid for services have ceased. While some organisations ceased their operations, many adapted quickly to respond to the immediate aftermath of the lockdown. From delivering food and medicine to sheltering residents to supporting victims of domestic abuse, the local voluntary sector has played an even more vital role than before. HCF's greatest concern is that a reduction in charitable income will eventually reduce the capacity of the local voluntary sector at a time when people are more likely than ever to turn to small grass root organisations. HCF's ability to grow its endowment and attract new pass through funds will be critical to ensuring the voluntary sector can be supported during the recover phase and beyond.

Hertfordshire Community Foundation

REFERENCE AND ADMINISTRATIVE DETAILS

Foundation office and registered address

Foundation House, 2 - 4 Forum Place, Fiddlebridge Lane, Hatfield, Hertfordshire, AL10 0RN

Statutory Auditor

Myers Clark, Chartered Accountants, Eagle 1, 80 St Albans Road, Watford, Hertfordshire, WD17 1DL

Bankers

National Westminster Bank plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1AB

Investment managers

- CCLA Senator House | 85 Queen Victoria Street | London | EC4V 4ET
- Rathbone Brothers Plc, 8 Finsbury Circus, London EC2M 7AZ (from 21/11/17)

Solicitors

- Taylor Walton, 107 Holywell Hill, St Albans, Hertfordshire, AL1 1HQ

Statement of responsibilities of the Trustees

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this has been communicated to the auditors.

By order of the Trustees on 28 September 2021.



Henry Holland-Hibbert
Chair of Trustees



Simon Tilley
Audit Committee Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HERTFORDSHIRE COMMUNITY FOUNDATION FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Hertfordshire Community Foundation (the charitable company) for the year ended 31 March 2021 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including the 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 for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 12 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 contained within the trustees' annual report. 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 there 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 included the directors' report (and the 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement 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 company or to cease operations, or have no realistic alternative but to do so.

Hertfordshire Community Foundation

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 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, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Employment law.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.



Paul Windmill (Senior Statutory Auditor)

Dated: 14-10-2021.

For and on behalf of Myers Clark, Statutory Auditor
Egale 1, 80 St Albans Road
Watford
Hertfordshire, WD17 1DL

Hertfordshire Community Foundation

Statement of Financial Activity (incorporating an income and expenditure account)

For the year ended 31 March 2021

		Unrestricted		Restricted		Endowment		Total		Unrestricted		Restricted		Endowment		Total	
	note	Funds		Funds		Funds		2021		Funds		Funds		Funds		2020	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Income and endowments from:																	
Donations and legacies	2	6,728	2,601,646	151,242				2,759,616		38,036		1,052,399		442,772		1,533,207	
Charitable activities	3	52,635	299,509	-				352,144		24,679		154,577		-		179,256	
Other trading activities	4	26,804	-	11,090				37,894		56,249		-		12,928		69,177	
Investments	5	497	1,222	253,383				255,102		4,247		-		271,616		275,863	
Total		86,664	2,902,377	415,715				3,404,756		123,211		1,206,976		727,316		2,057,503	
Expenditure on:																	
Raising funds	6	(116,425)	(224)	(2806)				(119,455)		(125,705)		(8,629)		(3,693)		(138,027)	
Charitable activities	7	(247,873)	(2,281,129)	(149,130)				(2,678,132)		(231,429)		(769,919)		(352,198)		(1,353,546)	
		(364,298)	(2,281,353)	(151,936)				(2,797,587)		(357,134)		(778,548)		(355,891)		(1,491,573)	
Unrealised gains/(losses) on investments		-	33,447	2,243,026				2,276,473		-		(13,138)		(740,943)		(754,081)	
Net income/(expenditure)		(277,634)	654,471	2,506,805				2,883,642		(233,923)		415,290		(369,518)		(188,151)	
Transfer between funds		272,687	(204,796)	(67,891)				-		241,106		(60,763)		(180,343)		-	
Net movement in funds		(4,947)	449,675	2,438,914				2,883,642		7,183		354,527		(549,861)		(188,151)	
Reconciliation of funds																	
Total funds brought forward		8,306	498,876	10,573,402				11,080,584		1,123		144,349		11,123,263		11,268,735	
Total funds carried forward		3,359	948,551	13,012,316				13,964,226		8,306		498,876		10,573,402		11,080,584	

Hertfordshire Community Foundation
Balance Sheet
As at 31 March 2021

Company no: 08794474

	note	£	2021 £	2020 £
Fixed assets				
Tangible assets	15		670,826	685,004
Investments	16		11,355,507	9,079,433
Mixed motive investments	17		607,619	607,619
			12,633,952	10,372,056
Current assets				
Debtors	18	79,145		218,787
Cash at bank and in hand		1,428,230		741,815
			1,507,375	960,602
Liabilities				
Creditors: amounts due within one year	19		(177,101)	(252,074)
Net current assets			1,330,274	708,528
Total net assets			13,964,226	11,080,584
The funds of the charity				
Endowment funds				
General			10,385,148	10,383,371
Revaluation reserve			2,627,168	190,031
			13,012,316	10,573,402
Restricted income funds			948,551	498,876
Unrestricted funds			3,359	8,306
			13,964,226	11,080,584

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the trustees on 28 September 2021 and signed on their behalf by:



Henry Holland - Hibbert
Chairman of Trustees



Simon Tilley
Audit Committee Chairman

Hertfordshire Community Foundation
Statement of cash flows
For the year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (note i)	435,493	204,734
Cash flows from investing activities:		
Dividends, interest and rents from investments	255,102	275,863
Purchase of property plant and equipment	(4,579)	(5,630)
Proceeds from sale of investments	399	-
Purchase of investments	-	(530,782)
Net cash provided by (used in) investing activities	250,922	(260,549)
 Change in cash and cash equivalents in the reporting period	 686,415	 (55,815)
Cash and cash equivalents at beginning of the reporting period	741,815	797,630
 Cash and cash equivalents at end of the reporting period (note ii)	 1,428,230	 741,815
 Note i		
Net income/ (expenditure) for the reporting period (as per the Statement of Financial Activities)	2,883,640	(188,151)
 Adjustment for:		
Depreciation	18,757	17,210
Unrealised Losses/(Gains) on investments	(2,276,471)	754,081
Dividends, interest and rents from investments	(255,102)	(275,863)
(Increase)/decrease in debtors	139,642	(199,417)
Increase/(decrease) in creditors	(74,973)	96,874
Net cash provided by (used in) operating activities	435,493	204,734
 Note ii		
Analysis of cash and cash equivalents		
Cash in hand	1,428,230	741,815
	1,428,230	741,815

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS102) effective 1 January 2019 (SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Ireland and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Significant accounting policies are listed below.

Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Funds structure

Endowment Funds

These represent incoming resources that are required to be retained or invested for the use of the charity's objectives.

Restricted Funds

These represent income received where restrictions on use, as determined by the donor, which are narrower than the charity's general objects

Unrestricted Funds

These represent income which can be used for the general objects of the charitable company as determined by the Board of Trustees.

Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1. Accounting policies (continued)

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. All expenses, including support costs and governance costs are allocated or apportioned to the applicable expenditure heading as follows:

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions as well as the cost of any activities with a fundraising purpose and their associated support costs.

Expenditure on charitable activities includes the costs of activities undertaken to further the charitable aims and objectives of the charity and their associated support costs.

Other costs represent those items not falling into any other heading.

Allocation of costs

Expenditure that is directly attributable to delivery of the charities activities or raising funds is allocated to the activity to which it relates.

Support costs comprise costs incurred in support of these activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spent on each activity during the financial year.

Grant funding

Grants payable are payment made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity. Provisions for grants are made when the intention to make the grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

1. Accounting policies (continued)

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Depreciation of tangible fixed assets

Items of equipment over £500 are capitalised and valued at historic cost. Depreciation is charged when assets are brought into use to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Computer Equipment	-	33 1/3 % p.a. on a straight line basis
Furniture and Fittings	-	20% p.a. on a straight line basis
Freehold Property	-	Over 50 years
Freehold Improvements	-	Over period remaining to 50 years

Investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid-market value.

Mixed motive investments comprise property owned by the charity but used by third parties to undertake activities that promote the charity's aims. Income generated is incidental to the main purpose of the investment rather than the purpose of the investment. Mixed motive investments are initially recognised and subsequently measured at transaction value less any impairment.

Pension Contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the year they are payable.

2. Income from donations and legacies

	2021	2020
	£	£
Donations	2,756,061	1,529,272
Other grants	-	-
Membership	3,555	3,935
	2,759,616	1,533,207

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

3. Income from charitable activities

	2021	2020
	£	£
Performance related grants	299,509	154,577
Lettings	11,635	18,179
Management fees	41,000	6,500
	352,144	179,256

Included in performance related grants is £ 182,932 (2020: £121,881) made by local authorities to fund the Workforce Development Programme for the voluntary sector in Hertfordshire. At 31 March 2021, the performance criteria had been fully met.

During 2020/21 HCF took part in a crowdfunding pilot project in partnership with Hertfordshire County Council (HCC) and Crowdfunder Ltd. With three funding streams provided by HCC, Hertsmere Borough Council and East Herts Council, over 20 projects were supported. Funding was received by HCF and then forwarded to Crowdfunder Ltd so that selected projects could be supported directly via the crowdfunding platform.

4. Income from other trading

	2021	2020
	£	£
Rent	37,864	34,697
Fundraising	30	31,680
Sponsorship	-	2,800
	37,894	69,177

5. Income from Investments

	2021	2020
	£	£
Listed Investments – within the UK	254,605	271,616
Bank interest	497	4,247
	255,102	275,863

6. Expenditure on raising funds

	2021	2020
	£	£
Direct costs	4,689	12,123
Support costs	114,766	125,904
	119,455	138,027

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

7. Expenditure on charitable activities

Activity or Project	Direct	Grant	Grants	Support	Total
Current Year	Activity	Institutions	Individuals	Costs	2021
	£	£	£	£	£
Grants programme (note 9)	-	2,182,829	29,953	226,855	2,439,637
HCF Training & Development	97,203	24,715	-	-	121,918
Rowlandson Sponsorship	8,577	-	-	-	8,577
Crowdfunder	108,000	-	-	-	108,000
	213,780	2,207,544	29,953	226,855	2,678,132

Prior Year	Direct	Grant	Grants	Support	Total
	Activity	Institutions	Individuals	Costs	2020
	£	£	£	£	£
Grants programme (note 9)	-	959,137	22,923	206,867	1,188,927
Herts Matters	14,595	-	-	-	14,595
HCF Training & Development	103,735	33,676	-	-	137,411
Rowlandson Sponsorship	12,613	-	-	-	12,613
	130,943	992,813	22,923	206,867	1,353,546

8. Support Costs

	2021	2020
	£	£
<i>Support</i>		
Staff Costs	223,950	192,213
Premises	22,188	36,531
Office costs	22,244	29,446
Depreciation	18,757	17,210
Other	16,362	22,100
	303,501	297,500

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

8. Support Costs (continued)	2021	2020
	£	£
<i>Governance</i>		
Staff costs	23,977	22,188
Trustee expenses	-	-
Audit fees	10,360	9,840
Professional and legal fees	2,609	1,221
Trustee indemnity insurance	1,175	1,240
Other	-	782
	38,121	35,271
Total	341,622	332,771
Allocated to activities: based on staff time		
Raising funds	114,767	125,904
Charitable Activities	226,855	206,867
	341,622	332,771

9. Grant making

Current Year	Grants to institutions	Grants to individuals	Total 2021
	£	£	£
Fairness	288,222	29,953	318,175
Housing	3,372	-	3,372
Safety	20,730	-	20,730
Healthy Living	492,347	-	492,347
Strong Communities	73,998	-	73,998
HCF Training & Development	24,715	-	24,715
Environment	4,000	-	4,000
Emergency Coronavirus Response	1,300,160	-	1,300,160
	2,207,544	29,953	2,237,497

A full list of awards made can be found at: www.hertscf.org.uk

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

Prior Year	Grants to institutions £	Grants to individuals £	Total 2020 £
Fairness	141,356	22,923	164,279
Housing	18,909	-	18,909
Safety	136,010	-	136,010
Work & Learning	95,195	-	95,195
Healthy Living	322,841	-	322,841
Strong Communities	244,826	-	244,826
HCF Training & Development	33,676	-	33,676
	992,813	22,923	1,015,736

10. Net income for the year

This is stated after charging/(crediting):

	2021 £	2020 £
Depreciation	18,757	17,210
Auditors' remuneration (excluding VAT)		
Audit	8,633	8,200
Other services	-	-

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	258,102	228,318
Social security costs	17,332	15,896
Employer's contribution to defined contribution pension schemes	20,718	19,203
	296,152	263,417

No employees received employee benefits (excluding employer pension costs) during the year of more than £60,000 (2020: nil)

Total employee benefits including employer's national insurance and pension contributions of the key management personnel were £67,552 (2020: £66,225).

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2020: nil). No trustee received payment for professional services supplied to the charity (2020: nil)

Trustee expenses represent the payment or re-imbursement of travel and subsistence costs totalling £0 (2020: £0) incurred by 0 (2020: 0) members relating to attendance at meetings of the trustees.

12. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021	2020
	No:	No:
Raising funds	2.1	2.1
Charitable Activities	5.0	5.0
Support	2.8	1.8
Governance	1.1	1.1
	11.0	10.0

13. Related party transactions

During the year, trustees donated a total of £89,774 to the charity (2020: £44,060). £87,500 (2020: nil) had restrictions placed upon them.

During the year, a total of £nil was received from Trustees for tickets to a fundraising event (2020: £16,560).

Terry Douris, a Trustee, is a Hertfordshire County Councillor.

There were no other related party transactions to disclose for the year (2020: none).

14. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

15. Tangible fixed assets

	Freehold land & buildings	Computer equipment	Furniture & equipment	Total
	£	£	£	£
Cost				
At beginning of year	874,666	42,936	79,879	997,481
Additions	-	1,155	3,424	4,579
Disposals	-	-	-	-
At end of the year	874,666	44,091	83,303	1,002,060
Depreciation				
At beginning of year	198,151	41,185	73,141	312,477
Charge for year	15,500	782	2,475	18,757
Eliminated on disposal	-	-	-	-
At end of the year	213,651	41,967	75,616	331,234
Net book value				
At beginning of year	676,515	1,751	6,738	685,004
At end of the year	661,015	2,124	7,687	670,826

Land with a value of £100,000 (2019: £100,000) is included within freehold property and not depreciated.

All the above assets are used for charitable purposes.

16. Investments

Listed Investments

	2021	2020
	£	£
Fair value at the start of the year	9,079,433	9,302,732
Additions at cost	-	530,782
Disposal proceeds	(399)	-
Unrealised net gain/(loss) on change in fair value	2,276,473	(754,081)
Fair value at end of the year	11,355,507	9,079,433
Historic cost at the end of the year	8,728,337	8,889,401

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

16. Investments (continued)

	2021	2020
	£	£
Listed investments all held within the UK comprise:		
Rathbone Unit Trust Management	7,271,873	5,583,905
COIF Charities Investment Fund	4,082,740	3,383,547
Cash held by brokers for re-investment	894	111,980
	11,355,507	9,079,433

17. Mixed motive investments

	2021	2020
	£	£
Freehold land and buildings		
Cost at start of the year	607,619	607,619
Additions	-	-
Cost at end of the year	607,619	607,619

This investment comprises a Community Resource Centre in East Hertfordshire funded by the Nigel Copping Fund.

In light of the ongoing economic uncertainty being caused by the Coronavirus pandemic, the trustees have considered the value of the building since the year end and conclude that the value of the property remains appropriate. Long term changes to the property market are yet to have filtered through and based on the location and condition of the property, the value remains appropriate and there has been no impairment in its value since the year end.

18. Debtors

	2021	2020
	£	£
Trade debtors	39,274	173,127
Other debtors	3,771	1,637
Prepayments	6,350	26,436
Accrued income	29,750	17,587
	79,145	218,787

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	587	6,809
Other creditors	3,605	9,806
Accruals	120,759	143,704
Deferred Income (note 20)	52,150	91,755
	177,101	252,074

20. Deferred income

	2021	2020
	£	£
Balance at the beginning of the year	91,755	121,575
Amount released to income in the year	(112,978)	(117,365)
Amount deferred in the year	73,373	87,545
Balance at the end of the year	52,150	91,755

21. Analysis of net assets between funds

Current Year	Unrestricted	Restricted	Endowment	Total 2021
	£	£	£	£
Tangible fixed assets	9,813	-	661,013	670,826
Investments	-	-	11,355,507	11,355,507
Mixed motive investments	-	-	607,619	607,619
Net current assets	(6,454)	948,551	388,177	1,330,274
Net assets at the end of the year	3,359	948,551	13,012,316	13,964,226

Prior Year	Unrestricted	Restricted	Endowment	Total 2020
	£	£	£	£
Tangible fixed assets	8,489	-	676,515	685,004
Investments	-	155,362	8,924,071	9,079,433
Mixed motive investments	-	-	607,619	607,619
Net current assets	(183)	343,514	365,197	708,528
Net assets at the end of the year	8,306	498,876	10,573,402	11,080,584

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

22. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	2021	2020
	£	£
Less than one year	555	458
1-5 years	2,045	-
	2,600	458

Hertfordshire Community Foundation

Notes to the financial statements (continued)

For the year ended 31 March 2021

23. Movement in funds

Current Year	At the start of the year	Income	Expenditure	Gains or (losses)	Transfers	At the end of the year 2021
	£	£	£	£	£	£
Endowment funds						
General	3,470,602	184,326	(28,583)	881,448	84,314	4,592,107
Grassroots	3,008,693	106,450	(75,272)	662,386	(59,352)	3,642,907
Communities First	3,417,592	124,938	(48,081)	699,192	(77,354)	4,116,287
Property	676,515	-	-	-	(15,500)	661,015
	10,573,402	415,714	(151,936)	2,243,026	(67,891)	13,012,316
Restricted funds						
Restricted Income Funds	440,698	2,710,868	(2,150,860)	33,447	(179,668)	854,485
HCF Training & Development	58,178	182,932	(121,916)	-	(25,128)	94,066
Rowlandson Sponsorship	-	8,577	(8,577)	-	-	-
	498,876	2,902,377	(2,281,353)	33,447	(204,796)	948,551
Unrestricted						
General	8,306	86,664	(364,298)	-	272,687	3,359
	8,306	86,664	(364,298)	-	272,687	3,359
Total Funds	11,080,584	3,404,756	(2,797,587)	2,276,473	-	13,964,226

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

23. Movement in funds (continued)

Prior Year	At the start of the year	Income	Expenditure	Gains or (losses)	Transfers	At the end of the year 2020
	£	£	£	£	£	£
Endowment funds						
General	3,511,559	492,488	(126,794)	(369,966)	(36,685)	3,470,602
Grassroots	3,305,221	112,491	(103,249)	(260,336)	(45,434)	3,008,693
Communities First	3,614,468	122,337	(125,848)	(110,641)	(82,724)	3,417,592
Property	692,015	-	-	-	(15,500)	676,515
	11,123,263	727,316	(355,891)	(740,943)	(187,800)	10,573,402
Restricted funds						
Restricted Income Funds	77,715	1,051,399	(613,927)	(13,138)	(61,351)	440,698
HCF Training & Development	66,634	134,462	(137,411)	-	(5,507)	58,178
Herts Get Set	-	-	-	-	2,443	-
Herts Community Solutions	-	-	-	-	-	-
Rowlandson Sponsorship	-	12,615	(12,615)	-	-	-
Other	-	8,500	(14,595)	-	6,095	-
	144,349	1,206,976	(778,548)	-	(60,763)	498,876
Unrestricted						
General	1,123	123,211	(357,134)	-	241,106	8,306
	1,123	123,211	(357,134)	-	241,106	8,306
Total Funds	11,268,735	2,057,503	(1,491,573)	(754,081)	-	11,080,584