

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 Burrridge | 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) |

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| | |
|---------------------|---|
| 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

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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

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- 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

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- 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.

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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

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

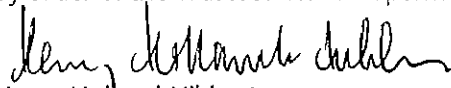
Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements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

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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

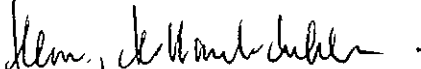
Company no: 08794474

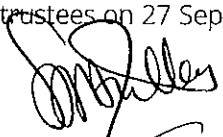
| | | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | note | £ | £ |
| Fixed assets | | | |
| Tangible assets | 15 | 641,389 | 658,734 |
| Investments | 16 | 12,029,737 | 12,733,520 |
| Mixed motive investments | 17 | 607,619 | 607,619 |
| | | 13,278,745 | 13,999,873 |
| Current 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.

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 |