

HEYWOOD FOUNDATION

England & Wales · Charity number 1180790

Details

Status Registered

Legal form CIO

Registered 2018-11-22

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

Contact

Address The Cabinet Office
70 Whitehall
London
SW1A 2AS

Phone 02032397768

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Website heywoodfoundation.com

Activities

Objects: THE OBJECTS OF THE CIO ARE, FOR THE PUBLIC BENEFIT:THE PROMOTION OF DIVERSITY BY THE ADVANCEMENT OF EQUALITY OF OPPORTUNITY AMONGST PEOPLE WITH DIFFERENT PROTECTED CHARACTERISTICS, IN PARTICULAR WITHIN THE CIVIL SERVICE AND PUBLIC SERVICES OF THE UNITED KINGDOM;THE PROMOTION OF THE EFFICIENT PUBLIC ADMINISTRATION OF GOVERNMENT AND PUBLIC SERVICE BY THE PROMOTION OF INNOVATION WITHIN THE CIVIL SERVICE AND PUBLIC SERVICES OF THE UNITED KINGDOM; AND ANY OTHER PURPOSE WHICH IS CHARITABLE IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES.PROTECTED CHARACTERISTICSÖ MEANS AGE, DISABILITY, GENDER REASSIGNMENT, MARRIAGE OR CIVIL PARTNERSHIP, PREGNANCY OR MATERNITY, RACE, RELIGION OR BELIEF, SEX AND SEXUAL ORIENTATION.

Activities: The Heywood Foundation will take forward its belief in innovative policy creation and diversity through various public policy challenges.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-30	£60,978	£138,743	-	-
2024-04-30	£52,604	£140,775	-	-
2023-04-30	£47,794	£146,640	-	-
2022-04-30	£182,141	£61,554	-	-
2021-04-30	£102,127	£77,716	-	-

Trustees

Name	Role	Appointed
The Lady Suzanne Heywood	Chair	2018-11-22
Catherine Joanna Little		2024-12-11
David Halpern		2018-11-22
Gareth Neil Davies		2019-05-20
Helen MacNamara		2018-11-22
Jonathan Munro Black		2024-04-23
Simon Heywood		2018-11-22
Sir Philip Robert Barton		2026-01-01
Sir SIMON CHRISTOPHER TOWNSEND ROBEY		2019-05-20

HEYWOOD FOUNDATION

England & Wales - Charity number 1180790

Accounts

HEYWOOD

FOUNDATION

Charity No. 1180790

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2025

HEYWOOD FOUNDATION

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Heywood Foundation

Legal and Administrative Information

Trustees: Suzanne Heywood (Chair)
Jonathan Black
Gareth Davies
Sue Gray (resigned 23/7/2024)
David Halpern
Simon Heywood (appointed 11/12/2024)
Catherine Little
Helen MacNamara
Sue Owen
Simon Robey
Zamila Skingsley

Charity Number: 1180790

Registered Office: The Cabinet Office
70 Whitehall
London
SW1A 2AS

Independent Examiners: Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

Bankers: Coutts & Co
440 Strand
London
WC2R 0QS

Letter from the Chair of the Board

As we reflect on the sixth year of the Heywood Foundation, I would like to begin by expressing my gratitude for your continued support and commitment. It is only through the generosity of our donors and the dedication of those who contribute their time and expertise that we are able to continue our work. Whilst the Foundation has continued to grow this year, with the appointment of our first full-time employee since Year End, the majority of what we do is enabled by those who volunteer their own time to support the Foundation in championing innovation and diversity in the public sector. These causes continue to guide and define all that we do.

This opportunity to reflect on our progress allows us to celebrate our achievements of the past year, whilst looking ahead to our plans for the future.

Our support of the Heywood Fellowship has continued this year with Lucy Smith, our third Heywood Fellow, who is due to complete her research on the importance of long-term planning in government at the end of October 2025. This research has culminated in several papers, podcasts, an article in Heywood Quarterly, and a discussion of the Fellowship team's findings at this year's Fellowship Dinner. Lucy's papers are full of proposals that seek to future-proof the UK, and we hope that many of her ideas will be implemented upon her return to government.

Looking to the future of the Heywood Fellowship, we are currently in the process of appointing a new fellow and look forward to sharing more news on that in our update next year.

This year has also brought important milestones. We recently celebrated the first anniversary of the Heywood Quarterly, which launched in the summer of 2024. In just four editions, the Quarterly has established itself as a forum for reflection and innovation, with a warm reception across the Civil Service and beyond. Highlights have included articles such as 'The mysteries of the Golden Triangle' by Edward Young, which was picked up by The Telegraph, alongside a more recent piece on school attendance data by Susan Acland-Hood and Simon Blake, which proved to be both insightful and popular. The success of the Quarterly's first year would not have been possible without the voluntary dedication of our team of Fast Streamers, or our contributors, for which we are very grateful.

Heywood Quarterly will see the publication of its fifth edition at the end of September, and we hope that our strong editorial efforts and quality content will continue to draw interest and spark conversations in editions to come. In the coming year, we aim to build upon our success by expanding our readership and reaching new audiences, so that we might continue to foster innovation and diversity throughout the public sector.

With diversity being one of our core principles, we keep this in mind in all of our work. We are delighted therefore that Lucy has been our first female fellow and that the Quarterly has welcomed many writers from different backgrounds. We will continue to keep this principle in mind in the future.

Whilst the Heywood Foundation provides core funding for the Quarterly, we are thankful also to the Blavatnik Family Foundation for their support, and we are actively exploring opportunities with potential new partners to secure the long-term future of our publication.

Finally, I would like to reiterate my thanks, on behalf of our Board, for your continued support and commitment to the Heywood Foundation. Our work would not be possible without the generosity of those who give their support, time, and expertise to promote innovation and diversity through the UK's public sector.

Suzanne Heywood

Trustees' Report

The Board of Trustees presents its report and the financial statements for the year ended 30th April 2025. The Trustees confirm that the report and financial statements of the Foundation have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with statutory requirements.

Objectives of the Foundation

The Heywood Foundation was set up in 2018 to continue the work championed by former Cabinet Secretary Jeremy Heywood on innovative policy creation and diversity within the UK public services. These two issues mattered in the past and will continue to matter in the future whatever challenges our country faces.

Jeremy believed that increasing innovation and diversity will create a more effective Civil Service. On innovative policy thinking Jeremy helped set up the Nudge Unit, he built and used a personal network of contacts to source and test new ideas and he introduced areas of research interest (ARIs), which let academics know what the civil service doesn't know so they can help fill in the gaps. On diversity he believed that the civil service could lead the way, setting up champions for each area of diversity, pushing for clear information and setting individual targets for Permanent Secretaries to achieve. But so much more is needed. The need for innovative policy is constant and there will always be new diversity challenges, to make the civil service better reflect the people it serves and so achieve better policy making and delivery.

Structure, Governance and Management

The Heywood Foundation was established as a Charitable Incorporated Organisation and registered at the Charity Commission on 22nd November 2018.

It is run by its Board of Trustees, comprising a number of family, friends and colleagues of Jeremy Heywood who share his passion for increased innovation and diversity. The Board is chaired by Suzanne Heywood. Simon Heywood has responsibility for the Foundation's finances. During the Financial Year, the Foundation had no direct employees and was run by the Trustees, allowing the costs of running the Foundation to be minimised. Additional assistance for the charitable activities is provided as required through contractual arrangements. In this respect, we are particularly grateful to Tim Dickson, the Editor-In-Chief of the Heywood Quarterly and to Ria Ismail and all those who worked on the publication's very successful launch and first editions. Thank you too to Lukas Gartlehner for continuing to provide IT support for the various ongoing projects, and to Isabel May for the provision of administration support on a voluntary basis.

Post year end, we were very pleased that Lucy Heywood joined the Foundation, our first full time employee, as Editorial Manager of the Heywood Quarterly. She will also provide general support to the Foundation.

The Foundation adheres to the principles of the Charity Governance Code.

Under the Constitution, the original Trustees served for a term of 4 years. New Trustees are appointed by the Board of Trustees for a term of 3 years. Any retiring Trustee is eligible for reappointment. Sue Gray stepped down as a Trustee in July 2024 and we thank her for her invaluable input and support. We were delighted that Cat Little agreed to become a Trustee in December 2024. We were also delighted that Simon Robey and Gareth Davies agreed to continue when their existing terms came to an end in May 2025.

We were also very pleased to have Aron Williams as our second Board Observer for the 2024 calendar year, under the UK Government's Boardroom Apprentice programme, and wish him well for the future.

An Investment Sub-Committee is in place comprising at least three Trustees and one external member with professional investment expertise. The current overall investment objective is to generate a rate of return of around 5% per annum on money held in excess of £200,000 over the medium/long term.

Achievements and Performance

This sixth year has proved to be another very active one for the Foundation, with the establishment of the Heywood Quarterly publication and commencement of the third Heywood Fellowship.

Heywood Quarterly

Established in 2024, the Heywood Quarterly is an independent publication dedicated to championing innovation in public policy and delivery, reimagining the Civil Service Quarterly publication that had been previously launched by Jeremy Heywood but had been discontinued by the Civil Service because of resourcing issues through covid.

Independent from the Civil Service with its own experienced Editor-in-Chief, the Foundation has the freedom to source articles from a wider variety of sources while showcasing fresh, readable and actionable learnings from policy and implementation. We invite civil servants, public sector professionals, and the wider private sector to share their experiences and insights on what has and hasn't worked, aiming to create a 'safe space' for honest, constructive, and politically neutral discussion.

An initial set of articles was accelerated and published to coincide with the 2024 UK General Election and three full editions have been published during the financial year. All are available online (via heywoodquarterly.com) and a small number of printed copies of each edition are produced and distributed to the main government departments and other interested parties.

We are delighted with the traction the Quarterly has received both within and outside the civil service and the quality of those who have agreed to contribute and of the articles themselves.

Over 5,300 have signed up to receive notifications etc and there have been more than 148,000 page views to date. Many readers are based overseas, with significant numbers across the rest of Europe, Australia, US, Canada and New Zealand. We are attracting high-quality authors. The publication also has strong support (and personal endorsement) from the top of the Civil Service.

The Editor-in-Chief, Tim Dickson, is supported by an Editorial Board and a small group of civil servant volunteers. As mentioned earlier, we have also just recruited our first full time member of staff as Editorial Manager.

Expenditure on the Quarterly during the Financial Year totalled £92.4k (2024 - £21.0k).

These costs were partly met by our first external sponsor, the Blavatnik Family Foundation, and we expect other sponsors to support the publication in due course.

Heywood Fellow

Lucy Smith was appointed as the third Heywood Fellow at the Blavatnik School of Government and Hertford College, Oxford in October 2024. In her work, she is being supported by 4 other civil service secondees and a Research Fellow funded largely by the Economic and Social Research Council.

During her fellowship Lucy is examining how governments can succeed at long term strategy. This work is driven by the recognition that strategies developed now need to succeed in contexts that are profoundly different from today and reflect the evolving needs, beliefs and hopes of citizens. By drawing on the experience of other countries, she is considering how governments come to a national view of what really matters over long-time horizons, the ways governments can best confront and tackle future problems, and how the configuration, mechanisms and capabilities of the state can best enable the pursuit and delivery of long-term outcomes for citizens.

Lucy was most recently the Director General for Strategy in the Department for Environment, Food and Rural Affairs and previously had various senior roles at the Cabinet Office.

The Fellowship will conclude at the end of October 2025 and outputs include a concluding lecture, a wide range of publications, including an article in the Heywood Quarterly and others available on the Blavatnik school's website (<https://www.bsg.ox.ac.uk/fellowship/heywood-fellowship>), and podcasts. Lucy is also planning to develop a National Strategy Playback/Toolkit. We expect strong engagement from the Cabinet Office with Lucy's work and will provide a full update next year.

The Foundation's expenditure during the year to support the Fellow totalled £38.3k (2024 - £68.7k).

Other

Other charitable expenditure, including on maintaining the IT infrastructure for any future Heywood Prizes, totalled £1.8k (2024 - £43.9k, including expenditure on the second Heywood Prize).

Total Charitable Expenditure in the year was, therefore, £132.5k (2024 - £133.6k).

We remain extremely grateful to those who have generously donated this year and in the past, allowing our original fundraising targets to be exceeded. During the year we received donations of £21.3k (2024 - £8.7k) and this income was again supplemented by dividend / interest income of £39.7k (2024- £43.9k) leading to total income of £61.0k (2024 - £52.6k).

As the Foundation continued to be largely managed by the Trustees, administration costs, excluding bank fees and the costs of the Independent Examination, of £1012 remained very low (2024 - £1328).

Our investments performed well this year with investment value gains of £46.3k (2024 - loss of £102.3k), with prices being supported, as anticipated, by reductions in interest rates and also by a potential takeover of one of our holdings. This return was achieved despite a further derisking through additional sales of equities and purchases of short term gilts. As at 30th April, our Investments comprised 55% gilts and 45% equities/funds.

Additionally, we also continued to hold a number of fixed rate cash deposits yielding 3.34%-4.35%. These are classified as Cash at Hand or Current Asset Investments.

Our Investments/Cash Balances, therefore, generated a Total Return of 8% during the year.

Overall, a deficit for the year was recorded of £31.5k (2024 - deficit of £190.5k), leading to Total Reserves at the Year End of £1.0m (2024- £1.03m). There were no Restricted Funds at the Year End (2024 - nil) as those received during the year were applied to charitable expenditure.

Reserves Policy

The Foundation was originally set up with the intention of operating for 10 years, from the summer of 2019. Its Reserves Policy is to maintain sufficient Reserves to fund expenditure of at least £100,000 per annum (adjusted for inflation) on charitable activities until 2029. Additional funds held and raised in the future will be utilised on additional projects consistent with the Foundations objectives and/or to extend its timespan.

Assuming we are able to attract additional sponsorship for the Heywood Quarterly publication and it continues to be successful, the original 10 year time horizon is likely to be extended or removed so that the publication can continue beyond 2029. In this case, this Reserves Policy will be reviewed and formally amended.

Current Reserves are more than sufficient to be consistent with this Policy.

Principal Risks and Uncertainties

The Trustees are responsible for monitoring and mitigating the principal risks being faced by the Foundation and are satisfied that processes are in place which ensure good governance, prevent fraud or malpractice and retain the good reputation of the Foundation.

The principal risks are those which, without mitigation, would have a serious impact on the activities of the Foundation:

The Cabinet Office is unwilling or unable to support the Foundation's activities. Regular contact is made at both senior official and ministerial level to ensure ongoing buy-in and a range of other options is available to further the Foundation's objectives of increasing innovation and diversity within the UK public sector, whether or not the Cabinet Office actively supports its activities.

Reputational risks as a result of a project not being successfully concluded or having a disappointing impact. The Trustees take a rigorous approach to decision making and projects only proceed when there is a clear buy-in from all interested parties and when the objectives and scope are clear. Once initiated, the progress of the project is monitored closely by the Trustees.

Additionally, the Trustees have considered the impact higher inflation and interest rates have had and may continue to have on the Foundation and are confident there has been no unmanageable impact on its fundraising plans or its cost base.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business; and
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 20/11/25 and signed on their behalf, by:



Simon Heywood
Trustee

Independent Examiner's Report to the Trustees of Heywood Foundation

I report to the trustees on my examination of the accounts of Heywood Foundation for the year ended 30 April 2025.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Adam Fullerton
(FCA, DChA, ICAEW)

For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

6th Floor
9 Appold Street
London EC2A 2AP

Date: 20 November 2025


Heywood Foundation
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 April 2025

Note	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
INCOME AND ENDOWMENTS FROM:						
Bank & investment interest received	22,791	-	22,791	23,149	-	23,149
Dividend Income	16,912	-	16,912	20,798	-	20,798
Donations	1,275	20,000	21,275	8,657	-	8,657
TOTAL INCOME AND ENDOWMENTS	40,978	20,000	60,978	52,604	-	52,604
EXPENDITURE ON:						
Charitable activities	112,490	20,000	132,490	87,305	46,318	133,623
Cost of Raising Funds	19	-	19	19	-	19
Administration Costs	6,234	-	6,234	7,132	-	7,132
TOTAL EXPENDITURE	118,743	20,000	138,743	94,457	46,318	140,775
NET EXPENDITURE AND NET MOVEMENT IN FUNDS BEFORE GAINS/(LOSSES) ON INVESTMENTS						
	(77,765)	-	(77,765)	(41,853)	(46,318)	(88,171)
Gains/(losses) on investment assets	46,290	-	46,290	(102,319)	-	(102,319)
NET MOVEMENT IN FUNDS FOR THE YEAR	(31,475)	-	(31,475)	(144,172)	(46,318)	(190,490)
Funds brought forward at 1 May	1,032,695	-	1,032,695	1,176,867	46,318	1,223,184
TOTAL FUNDS AT 30 APRIL	1,001,220	-	1,001,220	1,032,695	-	1,032,695

**Heywood Foundation
BALANCE SHEET
as at 30th April 2025**

	Note	2025 £	2024 £
FIXED ASSETS			
Investments	5	637,213	618,713
		<u>637,213</u>	<u>618,713</u>
CURRENT ASSETS			
Debtors	6	50	1,547
Current asset investments	7	235,784	264,900
Cash at bank and in hand		157,056	157,279
		<u>392,890</u>	<u>423,727</u>
CREDITORS: Amounts falling due within one year	8	(28,883)	(9,745)
NET CURRENT ASSETS		<u>364,007</u>	<u>413,982</u>
NET ASSETS		<u>1,001,220</u>	<u>1,032,695</u>
CHARITY FUNDS			
Restricted Funds	9,10	-	-
Unrestricted Funds	9,10	1,001,220	1,032,695
		<u>1,001,220</u>	<u>1,032,695</u>

The financial statements were approved by the Trustees on 20/11/25 and signed on their behalf, by:


 Simon Heywood
 Trustee

Heywood Foundation
STATEMENT OF CASH FLOWS
for the year ended 30th April 2025

	Note	2025 £	2024 £
Cash flows from operating activities	11	(96,833)	(210,691)
Cash flows from investing activities			
Investment income		39,703	43,947
Sale of fixed asset investments		138,792	53,245
Purchase of fixed asset investments		(111,002)	(21,500)
Sale of current asset investments		29,116	110,906
Change in cash and cash equivalents in the year		(224)	(24,093)
Cash and cash equivalents brought forward		157,279	181,372
Cash and cash equivalents carried forward		157,056	157,279

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2025

Accounting Policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Heywood Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These accounts are prepared on the historic cost basis of accounting except for investments which have been included at revalued amounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of any potential pressures on income and costs from the impact the recent high inflation environment. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore adopts the going concern basis in preparing its financial statements.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

Restricted Funds

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

Income

All 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.

Interest receivable

Interest on funds held on deposit or payable on gilts is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2025

Accounting Policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

Current Asset Investments

Current asset investments consist of cash equivalents held on maturities of greater than three months up to a year.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2025

	2025	2024
1 INCOME FROM DONATIONS		
Donations - unrestricted	1,275	8,657
Donations - restricted	20,000	-
	21,275	8,657

	2025	2024
	£	£
2 EXPENDITURE ON CHARITABLE ACTIVITIES		
Competition Prizes & Expenditure	288	43,880
Heywood Quarterly	92,381	21,002
Heywood Fellow Support	38,296	68,741
General Support	1,525	-
	132,490	133,623

There were no direct employees during the year but staff costs of £81766 were incurred on contractors (2024 - £46033)

	2025	2024
	£	£
3 COST OF RAISING FUNDS		
Platform Fees	19	19
	19	19

	2025	2024
	£	£
4 ADMINISTRATION COSTS		
Independent Examiner's remuneration	3,990	3,858
Other	1,012	1,328
Bank Charges	1,232	1,946
	6,234	7,132

	2025	2024
	£	£
5 FIXED ASSET INVESTMENTS		
Market value		
Opening Balance - 1 May	618,713	752,777
Sales	(138,792)	(53,245)
Additions	111,002	21,500
Gains/(losses)	46,290	(102,319)
Closing Balance - 30 April	637,213	618,713

Investments at market value comprise:

	2025	2024
	£	£
Listed investments	637,213	618,713
Cash equivalents on deposit for > 1 year	-	-
	637,213	618,713

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2025

6	DEBTORS	2025	2024
		£	£
	Other debtors	50	1,547
7	CURRENT ASSET INVESTMENTS	2025	2024
		£	£
	Cash on deposit	235,784	264,900
8	CREDITORS: amounts falling due within one year	2025	2024
		£	£
	Trade Creditors	17,617	-
	Other creditors	7,276	5,887
	Accruals and deferred income	3,990	3,858
		28,883	9,745

9	SUMMARY OF FUNDS					
	2025	Funds b/ fwd	Incoming resources	Resources expended	Gains	Funds c/fwd
		£	£	£	£	£
	Unrestricted Funds	1,032,695	40,978	118,743	46,290	1,001,220
	Restricted Funds	-	20,000	20,000	-	-
	TOTAL	1,032,695	60,978	138,743	46,290	1,001,220
	2024	Funds b/ fwd	Incoming resources	Resources expended	Gains	Funds c/fwd
		£	£	£	£	£
	Unrestricted Funds	1,176,867	52,604	94,457	(102,319)	1,032,695
	Restricted Funds	46,318	-	46,318	-	-
	TOTAL	1,223,185	52,604	140,775	(102,319)	1,032,695

2024 Restricted Funds supported Heywood Fellows. 2025 Restricted Funds supported the Heywood Quarterly.

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted fund	Total 2025
	£	£	£
Fixed asset investments	637,212	-	637,212
Debtors	50	-	50
Current asset Investments	235,784	-	235,784
Cash at the bank and in hand	157,056	-	157,056
Creditors due within one year	(28,883)	-	(28,883)
	1,001,220	-	1,001,220
	Unrestricted fund	Restricted fund	Total 2024
	£	£	£
Fixed asset investments	618,713	-	618,713
Debtors	1,547	-	1,547
Current asset investments	264,900	-	264,900
Cash at the bank and in hand	157,279	-	157,279
Creditors due within one year	(9,745)	-	(9,745)
	1,032,695	-	1,032,695

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2025

11 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net movement on funds	(31,475)	(190,491)
Deduct: Investment income	(39,703)	(43,947)
Add/Deduct: (Gains)/Losses on investments	(46,290)	102,319
Decrease/(Increase) in debtors	1,497	207
Increase/(Decrease) in creditors	19,138	(78,779)
	<u>(96,833)</u>	<u>(210,690)</u>

12 RELATED PARTY DISCLOSURES

Payments of £3198 (2024: £1,037) to a Trustee, Simon Heywood, as reimbursement of the LEI Number Renewal Fee, ICO Registration Fee, Mailchimp Subscription Fees, Google/Monster Insights Subscription Fees, Fiverr expenses and Upwork expenses paid. Payments of £953 (2024: £911) were made to the Chair of Trustees, Suzanne Heywood, as reimbursement of Wordpress, GoDaddy Subscription Fees and other Expenses. Suzanne Heywood also made a donation of £430.

HEYWOOD FOUNDATION

England & Wales - Charity number 1180790

Accounts

HEYWOOD

FOUNDATION

Charity No. 1180790

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2024

HEYWOOD FOUNDATION

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Heywood Foundation

Legal and Administrative Information

Trustees: Suzanne Heywood (Chair)
Jonathan Black (appointed 23/4/2024)
Gareth Davies
Sue Gray (resigned 23/7/2024)
David Halpern
Simon Heywood
Helen MacNamara
Sue Owen
Simon Robey
Zamila Skingsley

Charity Number: 1180790

Registered Office: The Cabinet Office
70 Whitehall
London
SW1A 2AS

Independent Examiners: Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 9AP

Bankers: Coutts & Co
440 Strand
London
WC2R OQS

Letter from the Chair of the Board

The Heywood Foundation was established in November 2018 following the death of Lord Heywood of Whitehall to promote two things that he made central to his work – innovation in public policy and promoting diversity.

This has been the fifth year of the Foundation's work. As usual I want to begin my comments by thanking all of those who make the work of the Foundation possible. We are a virtual foundation – we have no full-time employees and many of those who give their time to the foundation do so for free (including all of our board). This means that the money our donors have kindly entrusted to us is spent on the priorities we set out when the Foundation was established – promoting innovation in public policy and encouraging diversity in the public sector.

This year we have continued to support the Heywood Fellowship, with Jonathan Black, our second Heywood Fellow, finishing his work in February 2024. We are thrilled by the outcome of Jonathan's fellowship – not only the thinking that emerged from it, but also the way in which he tested and developed the possibilities of the fellowship itself. Jonathan has since returned to the Cabinet Office to implement his thinking, and we have also been proud to appoint him as a member of our board.

Our second priority this year has been our preparation to launch the Heywood Quarterly. This is a new initiative for the Foundation. The Civil Service Quarterly, which was set up by Jeremy Heywood when he was Cabinet Secretary, was an important publication both to promote best practice in public policy and to build pride in the work the Civil Service does. This publication – which was modelled on the McKinsey Quarterly – was discontinued in 2020. We spent part of this year developing a plan to bring it back, now named the Heywood Quarterly. In doing so we have also taken the opportunity to reinvent it, widening its scope to include the Foreign Office and devolved governments. We have also appointed an independent editor, who will work with an editorial board to ensure the publication is high quality.

The Heywood Foundation will provide some of the funding for the new Heywood Quarterly, but we will also look for other donors, both to enable our funding to go further and to make sure the Quarterly is sustainable in the long term.

We have not launched another Heywood Prize this year. While we were delighted with the success of the first and second prize, the idea of this competition, which we started during Covid, was to provide an outlet for public policy thinking, particularly at a time when we could not support other mechanisms like the fellowship. This year we took the opportunity to review our strategy as a foundation with our board in some detail and decided to prioritise the Heywood Fellowship and the new Heywood Quarterly, as these are likely to be most effective in fulfilling our objectives. We may in the future launch another prize, but this was considered a lower priority.

Once again I would like to thank you, on behalf of our Board, for your ongoing support to the Heywood Foundation. Without your support we would not be able to do this work, continuing to promote innovation and diversity within the public sector in the UK.

Suzanne Heywood

Trustees' Report

The Board of Trustees presents its report and the financial statements for the year ended 30th April 2024. The Trustees confirm that the report and financial statements of the Foundation have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with statutory requirements.

Objectives of the Foundation

The Heywood Foundation was set up in 2018 to continue the work championed by former Cabinet Secretary Jeremy Heywood on innovative policy creation and diversity within the UK public services. These two issues mattered in the past and will continue to matter in the future whatever challenges our country faces.

Jeremy believed that increasing innovation and diversity will create a more effective Civil Service. On innovative policy thinking Jeremy helped set up the Nudge Unit, he built and used a personal network of contacts to source and test new ideas and he introduced areas of research interest (ARIs), which let academics know what the Civil Service doesn't know so they can help fill in the gaps. On diversity he believed that the Civil Service could lead the way, setting up champions for each area of diversity, pushing for clear information and setting individual targets for Permanent Secretaries to achieve. But so much more is needed. The need for innovative policy will never disappear and there will always be new diversity challenges, to make the Civil Service better reflect the people it serves and so achieve better policy making and delivery.

Structure, Governance and Management

The Heywood Foundation was established as a Charitable Incorporated Organisation and registered at the Charity Commission on 22nd November 2018.

It is run by its Board of Trustees, comprising a number of family, friends and colleagues of Jeremy Heywood who share his passion for increased innovation and diversity. The Board is chaired by Suzanne Heywood. Simon Heywood has responsibility for the Foundation's finances. The Foundation has no direct employees and is run by the Trustees, allowing the costs of running the Foundation to be minimised. Additional assistance for the charitable activities is provided as required through contractual arrangements. In this respect, we are particularly grateful to Tim Dickson, the Editor-In-Chief, and to Ria Ismail and Robin Legg for their great efforts in successfully launching the Heywood Quarterly and to Lukas Gartlehner for providing IT support for the various ongoing projects. Thank you too to Meera Bhalla for the provision of administration support on a voluntary basis.

The Foundation adheres to the principles of the Charity Governance Code.

Under the Constitution, the original Trustees served for a term of 4 years. New Trustees are appointed by the Board of Trustees for a term of 3 years. Any retiring Trustee is eligible for reappointment. Sue Gray stepped down as a Trustee in July 2024 and we thank her for her invaluable input and support since her appointment. We were delighted that Jonathan Black agreed to become a Trustee in April 2024, following the successful completion of his Heywood Fellowship.

We were also very pleased to welcome Aron Williams as our second Board Observer, under the UK Government's Boardroom Apprentice programme.

An Investment Sub-Committee has been established comprising at least three Trustees and one external member with professional investment expertise. The current overall investment objective is to generate a rate of return of around 5% per annum on money held in excess of £200,000 over the medium/long term.

Achievements and Performance

This fifth year has proved to another very active one for the Foundation, with the second Heywood Fellowship being completed, prizes being decided and awarded for the second Heywood Prize and the establishment of the Heywood Quarterly publication.

Heywood Fellow

Jonathan Black, previously the UK Government's Deputy Chief Security Adviser inter alia, became the second Heywood Fellow in January 2023. He was supported by 2 other Civil Service secondees, Jack Connolly and Amina Adjerid, and a Research Fellow funded by the Economic and Social Research Council. Their work focused on policy making at the intersection of economic prosperity and economic security and on how policy making needs to change in view of the developing international trends and challenges the UK and its allies are facing. The Fellowship culminated in early 2024 with the publication of the paper 'The Crossroads of Geopolitics. The Intersection of Security and Economic Interests - Policymaking in a more complex and uncertain World'. Other supporting documents have also been published and all are available at [heywoodfoundation.com](https://www.heywoodfoundation.com). This paper, and its recommendations, have been very well received and continue to be considered by the UK Government.

Jonathan and his colleagues were based at the Blavatnik School of Government and Hertford College in Oxford. The Foundation supported the Fellowship by covering costs not met by the UK Government, The Blavatnik School, Hertford and the Economic and Social Research Council. These included a far reaching survey conducted by YouGov, to support his thinking.

The Foundation's expenditure during the year to support the Fellow totalled £69k (2023 - £15k).

Following on from this highly successful Fellowship, we are expecting a third Fellow to be appointed in the second half of 2024.

Second Heywood Prize

As discussed in last year's Report, a second Heywood Prize was launched in September 2022, asking the public 'What do you think the government should do to improve life in the UK?' While open to everyone, the Foundation was particularly keen on attracting proposals from younger generations and 11 prizes were set aside for those under the age of 21.

Over 750 entries were received, including 110 youth entries. Ideas from groups were also sought, as were entries via video and audio to encourage as wide a range of responses as possible.

Entries were sifted by volunteers from a range of sources, including the Civil Service and Bank of England. Also, many of the entrants took up the opportunity to 'crowd sift' in a peer review process. Finally, Artificial Intelligence was used to look at all entries via a programme developed by a third party which could also have broader applications.

The best entries (all of which are available on [heywoodfoundation.com](https://www.heywoodfoundation.com)) were then considered by our Judges, a panel comprising individuals with a diverse range of backgrounds and sector experience, including the Civil Service, journalism, healthcare, business and activism.

The winners were announced at a Prize Ceremony on 6th July 2023 and, as with the previous prize, the ideas shared with Government and other interested bodies, so as many as possible can be considered and potentially implemented.

The overall top prize this year went to the idea of setting up a UK Community Investment Bank. The top prize in the Youth category focused on the transformative power of peer mentoring in children's mental health. These ideas, and others, are being considered within the UK Government and it was very pleasing to note the Government announcement in September 2023 that more funding was being available for local community projects.

In total, 29 prizes were awarded of total Value £74k, of which £65k had been accrued as at April 2023. Additional expenditure was incurred during the year in support of The Prize of £35k (2023 - £61k), largely website/IT support related.

We are very grateful to all those who entered the competition and to the sifters and judges who have helped make it such a success.

Heywood Quarterly

While not launched until after the Year End, preparatory work and fund-raising commenced for the Heywood Quarterly publication, which reimagines the Civil Service Quarterly that had been previously launched by Jeremy Heywood but had been discontinued by the Civil Service because of resourcing issues through covid. This showcases innovation in public policy and delivery.

Now independent from the Civil Service with its own Editor-in-Chief, we have the freedom to source articles from a wider variety of sources while highlighting fresh, readable and actionable learnings from policy and implementation.

An initial set of online articles was published to coincide with the UK General Election and the first edition has now been issued (all articles available at [heywoodquarterly.com](https://www.heywoodquarterly.com)). We are delighted with the support and interest received to date from both within and outside the Civil Service.

We thank all those who have contributed articles and have kindly supported this highly successful launch in many other ways.

Development costs for the Heywood Quarterly during the year totalled £21k (2023 - £0). This largely comprised of payments to individuals in the project team and IT support.

Total charitable expenditure during the year therefore amounted to £134k (2023 - £140k).

We remain extremely grateful to those who have generously donated this year and in the past, allowing our fundraising targets to be exceeded. During the year we were not actively fundraising from new donors, but received donations of £9k (2023 - £9k) and this income was again supplemented by dividend /interest income of £44k (2023- £39k).

As the Foundation continued to be largely managed by the Trustees, administration costs excluding bank fees and the costs of the Independent Examination of £1,328 remained very low (2023 - £707).

A further fall in prices of a number of investments led to an investment value loss for the year of £102k (2023 - loss of £180k), again due to lower valuations of high yielding underlying assets in response to increased UK inflation and interest rates and negative sentiment towards such investments. The underlying operations continue to be satisfactory and we expect share prices to recover towards underlying net asset value when interest rates reduce and sentiment improves. However, we sold approximately 50% of one position to be prudent, given the attractive rates still available for gifts and cash.

Overall, a deficit for the year was recorded of £191k (2023 - deficit of £279k), leading to Total Reserves at the Year End of £1.03m (2023 - £1.22m). There were no Restricted Funds at

the Year End (2023 - £46k) as those previously held were applied to the Heywood Fellow costs incurred during the year.

Given the high interest rate environment, a number of fixed rate cash deposits were entered into of duration up to 12 months and yielding 4.09% - 5.35%. These are classified as Cash at Hand or Current Asset Investments.

Reserves Policy

The Foundation was originally set up with the intention of operating for 10 years, from the summer of 2019. Its Reserves Policy is to maintain sufficient Reserves to fund expenditure of at least £100,000 per annum (adjusted for inflation) on charitable activities until 2029. Additional funds held and raised in the future will be utilised on additional projects consistent with the Foundations objectives and/or to extend its timespan.

Depending upon the success of the Heywood Quarterly publication, the original 10 year time horizon may be extended or removed. In this case, this Reserves Policy will be reviewed and amended.

Current Reserves are more than sufficient to be consistent with this Policy.

Principal Risks and Uncertainties

The Trustees are responsible for monitoring and mitigating the principal risks being faced by the Foundation and are satisfied that processes are in place which ensure good governance, prevent fraud or malpractice and retain the good reputation of the Foundation.

The principal risks are those which, without mitigation, would have a serious impact on the activities of the Foundation:

The Cabinet Office is unwilling or unable to support the Foundation's activities. Regular contact is made at both senior official and ministerial level to ensure ongoing buy-in and a range of other options is available to further the Foundation's objectives of increasing innovation and diversity within the UK public sector, whether or not the Cabinet Office actively supports its activities.

Reputational risks as a result of a project not being successfully concluded or having a disappointing impact. The Trustees take a rigorous approach to decision making and projects only proceed when there is a clear buy-in from all interested parties and when the objectives and scope are clear. Once initiated, the progress of the project is monitored closely by the Trustees.

Additionally, the Trustees have considered the impact higher inflation and interest rates have had and may continue to have on the Foundation and are confident there has been no unmanageable impact on its fundraising plans or its cost base. While there has been a negative impact on the value of its investments, we expect recovery in due course and, in the meantime, the impact is partially mitigated by higher interest rates on cash balances held. Reserves and liquidity remain very strong.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business; and
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 7th October 2024 and signed on their behalf, by:



Simon Heywood
Trustee

Independent Examiner's Report to the Trustees' of Heywood Foundation

I report to the trustees on my examination of the accounts of Heywood Foundation for the year ended 30 April 2024.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Adam Fullerton

(FCA, DChA, ICAEW)

For and on behalf of Moore Kingston Smith LLP

Chartered Accountants

6th Floor
9 Appold Street
London EC2A 9AP

Date: 8th October 2024

Heywood Foundation
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 April 2024

Note	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
INCOME AND ENDOWMENTS FROM:						
Bank & Investments Interest Received	23,149	-	23,149	6,902	-	6,902
Dividend Income	20,798	-	20,798	31,609	-	31,609
Donations 1	8,657	-	8,657	9,283	-	9,283
TOTAL INCOME AND ENDOWMENTS	52,604	-	52,604	47,794	-	47,794
EXPENDITURE ON:						
Charitable activities 2	87,305	46,318	133,623	140,347	-	140,347
Cost of Raising Funds 3	19	-	19	32	-	32
Administration Costs 4	7,132	-	7,132	6,261	-	6,261
TOTAL EXPENDITURE	94,457	46,318	140,775	146,640	-	146,640
NET EXPENDITURE AND NET MOVEMENT IN FUNDS BEFORE LOSSES ON INVESTMENTS						
	(41,853)	(46,318)	(88,171)	(98,845)	-	(98,845)
Losses on investment assets 5	(102,319)	-	(102,319)	(179,870)	-	(179,870)
NET MOVEMENT IN FUNDS FOR THE YEAR	(144,172)	(46,318)	(190,490)	(278,716)	-	(278,716)
Funds brought forward at 1 May	1,176,867	46,318	1,223,184	1,455,583	46,318	1,501,900
TOTAL FUNDS AT 30 APRIL	1,032,695	-	1,032,695	1,176,867	46,318	1,223,184

**Heywood Foundation
BALANCE SHEET
as at 30th April 2024**

	Note	2024 £	2023 £
FIXED ASSETS			
Investments	5	618,713	752,777
		<u>618,713</u>	<u>752,777</u>
CURRENT ASSETS			
Debtors	6	1,547	1,754
Current asset investments	7	264,900	375,806
Cash at bank and in hand		157,279	181,372
		<u>423,727</u>	<u>558,932</u>
CREDITORS: Amounts falling due within one year	8	(9,745)	(88,524)
NET CURRENT ASSETS		<u>413,982</u>	<u>470,408</u>
NET ASSETS		<u>1,032,695</u>	<u>1,223,185</u>
CHARITY FUNDS			
Restricted Funds	9,10	-	46,318
Unrestricted Funds	9,10	1,032,695	1,176,867
		<u>1,032,695</u>	<u>1,223,185</u>

The financial statements were approved by the Trustees on 7th October 2024 and signed on their behalf, by:



Simon Heywood
Trustee

Heywood Foundation
STATEMENT OF CASH FLOWS
for the year ended 30 April 2024

	Note	2024 £	2023 £
Cash flows from operating activities	11	(210,691)	(60,844)
Cash flows from investing activities			
Investment income		43,947	38,512
Sale of fixed asset investments		53,245	17,956
Purchase of fixed asset investments		(21,500)	(200,003)
Sale/(purchase) of current asset investments		110,906	(42,322)
Change in cash and cash equivalents in the year		<u>(24,093)</u>	<u>(246,702)</u>
Cash and cash equivalents brought forward		<u>181,372</u>	<u>428,074</u>
Cash and cash equivalents carried forward		<u>157,279</u>	<u>181,372</u>

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2024

Accounting Policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Heywood Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These accounts are prepared on the historic cost basis of accounting except for investments which have been included at revalued amounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of any potential pressures on income and costs from the impact the recent high inflation environment. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore adopts the going concern basis in preparing its financial statements.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Investment income, gains and losses are allocated to the appropriate fund.

Income

All 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.

Interest receivable

Interest on funds held on deposit or payable on gilts is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2024

Accounting Policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

Current Asset Investments

Current asset investments consist of cash equivalents held on maturities of greater than three months but less than a year.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2024

	2024 £	2023 £
1 INCOME FROM DONATIONS		
Donations - unrestricted	8,657	9,283
	8,657	9,283
2 EXPENDITURE ON CHARITABLE ACTIVITIES		
	2024 £	2023 £
Competition Prizes	9,000	64,000
Competition Development	34,880	61,419
Heywood Quarterly Development	21,002	-
Heywood Fellow Support	68,741	14,928
	133,623	140,347
There were no direct employees during the year but staff costs of £46,202 were incurred on contractors (2023 - £50,239).		
3 COST OF RAISING FUNDS		
	2024 £	2023 £
Platform Fees	19	32
	19	32
4 ADMINISTRATION COSTS		
	2024 £	2023 £
Independent Examiner's remuneration	3,858	3,780
Other	1,328	707
Bank Charges	1,946	1,774
	7,132	6,261
5 FIXED ASSET INVESTMENTS		
	2024 £	2023 £
Market value		
Opening Balance - 1 May	752,777	750,600
Sales	(53,245)	(17,956)
Additions	21,500	200,003
Gains/(losses)	(102,319)	(179,870)
Closing Balance - 30 April	618,713	752,777

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2024

5 FIXED ASSET INVESTMENTS (continued)

Investments at market value comprise:

	2024	2023
	£	£
Listed investments	618,713	752,777
Cash equivalents on deposits for > 1 year	-	-
	618,713	752,777

6 DEBTORS

	2024	2023
	£	£
Other debtors	1,547	1,754

7 CURRENT ASSET INVESTMENTS

	2024	2023
	£	£
Cash equivalents on deposits	264,900	375,806

8 CREDITORS: amounts falling due within one year

	2024	2023
	£	£
Other creditors	5,887	19,744
Accruals and deferred income	3,858	68,780
	9,745	88,524

9 SUMMARY OF FUNDS

	Funds b/fwd £	Incoming resources £	Resources expended £	Gains/(Losses) £	Funds c/fwd £
2024					
Unrestricted Funds	1,176,867	52,604	94,457	(102,319)	1,032,695
Restricted Funds	46,318	-	46,318	-	-
TOTAL	1,223,185	52,604	140,775	(102,319)	1,032,695
2023					
Unrestricted Funds	1,455,583	47,794	146,640	(179,870)	1,176,867
Restricted Funds	46,318	-	-	-	46,318
TOTAL	1,501,901	47,794	146,640	(179,870)	1,223,185

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2024

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	Total 2024 £
Fixed asset investments	618,713	-	618,713
Debtors	1,547	-	1,547
Current asset Investments	264,900	-	264,900
Cash at the bank and in hand	157,279	-	157,279
Creditors due within one year	(9,745)	-	(9,745)
	<u>1,032,695</u>	<u>-</u>	<u>1,032,695</u>
	Unrestricted fund £	Restricted fund £	Total 2023 £
Fixed asset investments	752,777	-	752,777
Debtors	1,754	-	1,754
Current asset investments	375,806	-	375,806
Cash at the bank and in hand	135,054	46,318	181,372
Creditors due within one year	(88,524)	-	(88,524)
	<u>1,176,867</u>	<u>46,318</u>	<u>1,223,185</u>

11 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net movement on funds	(190,491)	(278,716)
Deduct: Investment income	(43,947)	(38,512)
Add/Deduct: (Gains)/Losses on investments	102,319	179,870
Decrease/(Increase) in debtors	207	(1,657)
Increase/(Decrease) in creditors	(78,779)	78,170
	<u>(210,691)</u>	<u>(60,844)</u>

12 RELATED PARTY DISCLOSURES

Payments of £1,037 (2023: £1,050) to a Trustee, Simon Heywood, as reimbursement of the LEI Number Renewal Fee, ICO Registration Fee, Mailchimp subscription fees, Google subscription fees and travel expenses paid.
Payments of £911 (2023: £607) were made to the Chair of Trustees, Suzanne Heywood, as reimbursement of Wordpress, GoDaddy Subscription Fees and other expenses.

HEYWOOD FOUNDATION

England & Wales - Charity number 1180790

Accounts

HEYWOOD
FOUNDATION

Charity No. 1180790

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2023

HEYWOOD FOUNDATION

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Heywood Foundation

Legal and Administrative Information

Trustees: Suzanne Heywood (Chair)
Zamila Bunglawala
Gareth Davies
Sue Gray
David Halpern
Simon Heywood
Helen MacNamara
Sue Owen
Simon Robey

Charity Number: 1180790

Registered Office: The Cabinet Office
70 Whitehall
London
SW1A 2AS

Independent Examiners: Moore Kingston Smith LLP3
6th Floor
9 Appold Street
London
EC2A 9AP

Bankers: Coutts & Co
440 Strand
London
WC2R 0QS

Letter from the Chair of the Board

The Heywood Foundation was established in November 2018 following the death of Lord Heywood of Whitehall to promote two things that he made central to his work – innovation in public policy and promoting diversity.

This has been the fourth year of the Foundation's work. I would first again like to thank the many donors who have continued to make our work possible – I know Jeremy would have been delighted to see his passion for innovation and diversity continuing to be championed, and we can only do this because of their generosity. I would also like to thank my fellow Board members for their work this year, and all the others, including those supporting part time, who have given their time and expertise to help run the Foundation.

This year we have concluded the second Heywood Prize. Our first prize was launched in 2020 and awarded in 2021. The winning idea from that competition – a Reserve Force for the NHS – has since been implemented. We were encouraged by the number of high-quality entries that we received for that prize and by the willingness of government to consider the winning ideas. Therefore, in the autumn of 2022, we launched the second Heywood Prize. This again resulted in many impressive entries, particularly on the topic of mental health, something that has been receiving substantial attention in the wake of the COVID pandemic. The winning idea this year was for a Regional Development Bank, and we are now working to make sure that this idea and the other innovative policies emerging from this year's prize are again considered by government.

In this second prize, as well as asking our entrants to be innovative, we also looked at ways in which we could innovate our own processes. We tested using AI to sort through the entries, we tested crowd-sourcing the assessment of entries (allowing all entrants to score a selection of other entries), we created a youth prize, which ran alongside the main prize (with all youth entries also being entered into the main prize), we allowed video entries and we asked ChatGPT to generate some of its own entries. The results of these innovations were interesting – AI turned out to be ineffective in scoring entries (which were all also read by humans) but crowd-sourcing was effective. We were delighted by the quality of the youth prize and some of the video entries and all of ChatGPT's entries failed to reach our shortlist.

This year we have also been delighted to appoint a new Heywood Fellow, Jonathan Black. Jonathan has been looking at how government can be more effective in dealing with policy issues that cut across economic and foreign policy (a good example of which are sanctions, which have been used extensively during the war in Ukraine). Jonathan has been doing some very interesting thinking, in partnership with the Blavatnik School in Oxford, and we look forward to seeing his final conclusions. Jonathan's appointment, the quality of the work that he has been doing, and the engagement he has generated, show the potential power of the fellowship, which is designed to allow senior civil servants to take time out of Whitehall to think about longer-term and/or cross-cutting policy issues.

Once again I would like to thank you, on behalf of our Board, for your ongoing support to the Heywood Foundation. Without your support we would not be able to do this work, continuing to promote innovation and diversity within the public sector in the UK.

Suzanne Heywood

Trustees' Report

The Board of Trustees presents its report and the financial statements for the year ended 30th April 2023. The Trustees confirm that the report and financial statements of the Foundation have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with statutory requirements.

Objectives of the Foundation

The Heywood Foundation was set up in 2018 to continue the work championed by former Cabinet Secretary Jeremy Heywood on innovative policy creation and diversity within the UK public services. These two issues mattered in the past and will continue to matter in the future whatever challenges our country faces.

Jeremy believed that increasing innovation and diversity will create a more effective Civil Service. On innovative policy thinking Jeremy helped set up the Nudge Unit, he built and used a personal network of contacts to source and test new ideas and he introduced areas of research interest (ARIs), which let academics know what the civil service doesn't know so they can help fill in the gaps. On diversity he believed that the civil service could lead the way, setting up champions for each area of diversity, pushing for clear information and setting individual targets for Permanent Secretaries to achieve. But so much more is needed. The need for innovative policy will never disappear and there will always be new diversity challenges, to make the civil service better reflect the people it serves and so achieve better policy making and delivery.

Structure, Governance and Management

The Heywood Foundation was established as a Charitable Incorporated Organisation and registered at the Charity Commission on 22nd November 2018.

It is run by its Board of Trustees, comprising a number of family, friends and colleagues of Jeremy Heywood who share his passion for increased innovation and diversity. The Board is chaired by Suzanne Heywood. Simon Heywood has responsibility for the Foundation's finances. The Foundation has no direct employees and is run by the Trustees, allowing the costs of running the Foundation to be minimised. Additional assistance for the charitable activities is provided by IT and administration contractors and we are particularly grateful to Lukas Gartlehner and James Green in this respect.

The Foundation adheres to the principles of the Charity Governance Code.

Under the Constitution, the original Trustees serve for a term of 4 years. New Trustees are appointed by the Board of Trustees for a term of 3 years. Any retiring Trustee is eligible for reappointment. Suzanne Heywood, Zamila Bunglawala, David Halpern, Simon Heywood, Helen MacNamara and Sue Owen were reappointed for further 3 year terms in November 2022.

We were also delighted that Carol Moyo joined as a Board Observer in January 2023, under the UK Government's Boardroom Apprentice programme.

An Investment Sub-Committee has been established comprising at least three Trustees and one external member with professional investment expertise. The current overall investment objective is to generate a rate of return of around 5% per annum on money held in excess of £200,000 over the medium/long term.

Achievements and Performance

The Foundation's fourth year has been its most active, supporting the work of the second Heywood Fellow, Jonathan Black, together with preparations for and then the launch of the second Heywood Prize.

Heywood Fellow

Jonathan Black, previously the UK Government's Deputy Chief Security Adviser *inter alia*, became the second Heywood Fellow in January 2023. His work is focusing on policy making at the intersection of economic prosperity and economic security and will look at how policy making needs to change in view of the developing international trends and challenges the UK and its allies are facing. He is expected to report back with recommendations in 2023.

Jonathan is on secondment from UK Government while the Heywood Fellow, and he and his colleagues are based at the Blavatnik School of Government and Hertford College in Oxford. The Foundation supports the Fellowship by covering costs not met by UK Government, The Blavatnik School, Hertford and the Economic and Social Research Council.

Second Heywood Prize

Following the success of the 2021 competition, a second Prize was launched in September 2022, asking the public 'What do you think the government should do to improve life in the UK?' While open to everyone, the Foundation was particularly keen on attracting proposals from younger generations and 11 prizes were set aside for those under the age of 21.

Over 750 entries were received, including 110 youth entries. Ideas from groups were also sought, as were entries via video and audio to encourage as wide a range of responses as possible.

Entries were sifted by volunteers from a range of sources, including the civil service and Bank of England. Also, many of the entrants took up the opportunity to 'crowd sift' in a peer review process developed this year. Finally, Artificial Intelligence was

used to look at all entries via a programme developed by a third party which could also have broader applications.

The best entries were then considered by our judges, a panel comprising individuals with a diverse range of backgrounds and sector experience, including the civil service, journalism, healthcare, business and activism.

The winners were announced at a Prize Ceremony on 6th July 2023, when 29 prizes of total value £74,000 were awarded and the ideas are being shared with Government and other interested bodies, so as many as possible can be considered and potentially implemented. Full details will be provided in next year's report.

We are very grateful to all those who entered the competition and to the sifters and judges who have helped make it such a success.

We also remain extremely grateful to those who have generously donated this year and in the past, allowing our fundraising targets to be exceeded. During the year we were not actively fundraising from new donors, but still received donations of £9k (2022 - £143k) and this income was again supplemented by dividend /interest income of £39k (2022- £39k).

£65k of the prize money for the second Prize has been accrued at the Year End (in line with the originally envisaged prize fund), though one of the 2021 £1000 prizes was never claimed and has now been written back.

The majority of the other charitable expenditure during the year related to the development and running of the second Heywood Prize, £61k (2022 - £53k). Again, this predominantly related to developing the IT framework including the AI judging functionality. We have entered into contracts with specialists in IT/AI and administration to provide these services.

Additionally, £15k (2022 - nil) was spent on supporting the Heywood Fellow.

As the Foundation continued to be largely managed by the Trustees, administration costs excluding bank fees and the costs of the Independent Examination of £707 remained very low (2022 - £332).

A fall in prices of a number of investments led to an unrealised loss for the year of £180k (2022 - gain of £34k), largely due to lower valuations of their high yielding underlying assets in response to increased UK inflation and interest rates. The underlying operations continue to be satisfactory and we expect share prices to recover when interest rate expectations peak and the gaps between share price and net asset values narrow.

Overall, a deficit for the year was recorded of £279k (2022- surplus of £155k), leading to Total Reserves at the Year End of £1.22m (2022- £1.50m), of which £46k (2022 - £46k) were Restricted Funds. These are held to specifically support the work of future Heywood Fellows.

Given the improved interest rate environment, a number of fixed rate cash deposits were entered into of duration up to 12 months and yielding 1.75%- 4.3%. These are classified as Current Asset Investments. Gilts were also purchased in October 2022 at attractive yields.

Reserves Policy

The Foundation was originally set up with the intention of operating for 10 years, from the summer of 2019. Its Reserves Policy is to maintain sufficient Reserves to fund expenditure of at least £100,000 per annum (adjusted for inflation) on charitable activities until 2029. Additional funds held and raised in the future will be utilised on additional projects consistent with the Foundations objectives and/or to extend its timespan.

Current Reserves are more than sufficient to be consistent with this Policy.

Principal Risks and Uncertainties

The Trustees are responsible for monitoring and mitigating the principal risks being faced by the Foundation and are satisfied that processes are in place which ensure good governance, prevent fraud or malpractice and retain the good reputation of the Foundation.

The principal risks are those which, without mitigation, would have a serious impact on the activities of the Foundation:

The Cabinet Office is unwilling or unable to support the Foundation's activities. Regular contact is made at both senior official and ministerial level to ensure ongoing buy-in and a range of other options is available to further the Foundation's objectives of increasing innovation and diversity within the UK public sector, whether or not the Cabinet Office actively supports its activities.

Reputational risks as a result of a project not being successfully concluded or having a disappointing impact. The Trustees take a rigorous approach to decision making and projects only proceed when there is a clear buy-in from all interested parties and when the objectives and scope are clear. Once initiated, the progress of the project is monitored closely by the Trustees.

Additionally, the Trustees have considered the impact higher inflation has had and may continue to have on the Foundation and are confident there has been no unmanageable impact on its fundraising plans or its cost base. While there has been a negative impact on the value of its investments, we expect recovery in due course and, in the meantime, the impact is partially mitigated by higher interest rates on cash balances held. Reserves and liquidity remain very strong.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business; and
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 15th September 2023 and signed on their behalf, by:



Simon Heywood
Trustee

Independent Examiner's Report to the Trustees of Heywood Foundation

I report to the trustees on my examination of the accounts of Heywood Foundation for the year ended 30 April 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Adam Fullerton
(FCA, DChA, ICAEW)

For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

6th Floor
9 Appold Street
London EC2A 9AP

Date: 18 October 2023


Heywood Foundation
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 April 2023

Note	Unrestricted Funds £	Restricted Fund £	Total 2023 £	Unrestricted Funds £	Restricted Fund £	Total 2022 £
INCOME AND ENDOWMENTS FROM:						
Bank Interest Received	6,902		6,902	3,125		3,125
Dividend Income	31,609		31,609	36,087		36,087
Donations	9,283	-	9,283	142,928		142,928
TOTAL INCOME AND ENDOWMENTS	47,794	-	47,794	182,141	-	182,141
EXPENDITURE ON:						
Charitable activities	140,347	-	140,347	55,290	-	55,290
Cost of Raising Funds	32		32	50		50
Administration Costs	6,261		6,261	6,213		6,213
TOTAL EXPENDITURE	146,640	-	146,640	61,554	-	61,554
NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS BEFORE GAINS AND (LOSSES) ON INVESTMENTS	(98,845)	-	(98,845)	120,587	-	120,587
Gains/(Losses) on investment assets	(179,870)		(179,870)	34,297		34,297
NET MOVEMENT IN FUNDS FOR THE YEAR	(278,716)	-	(278,716)	154,884	-	154,884
Funds brought forward at 1 May	1,455,583	46,318	1,501,901	1,300,699	46,318	1,347,016
TOTAL FUNDS AT 30 APRIL	1,176,867	46,318	1,223,185	1,455,584	46,318	1,501,901

**Heywood Foundation
BALANCE SHEET
as at 30th April 2023**

	Note	2023 £	2022 £
FIXED ASSETS			
Investments	5	752,777	750,600
		<u>752,777</u>	<u>750,600</u>
CURRENT ASSETS			
Debtors	6	1,754	98
Current asset investments	7	375,806	333,484
Cash at bank and in hand		181,372	428,074
		<u>558,932</u>	<u>761,655</u>
CREDITORS: Amounts falling due within one year	8	(88,524)	(10,354)
NET CURRENT ASSETS		<u>470,408</u>	<u>751,301</u>
NET ASSETS		<u>1,223,185</u>	<u>1,501,901</u>
CHARITY FUNDS			
Restricted Funds	9,10	46,318	46,318
Unrestricted Funds	9,10	1,176,867	1,455,583
		<u>1,223,185</u>	<u>1,501,901</u>

The financial statements were approved by the Trustees on 15th September 2023 and signed on their behalf, by:


 Simon Heywood
 Trustee

Heywood Foundation
STATEMENT OF CASH FLOWS
for the year ended 30th April 2023

	Note	2023 £	2022 £
Cash flows from operating activities	11	(60,844)	21,162
Cash flows from investing activities			
Investment income		38,512	39,212
Sale of fixed asset investments		17,956	254,364
Purchase of fixed asset investments		(200,003)	(17,956)
Purchase of current asset investments		(42,322)	(133,984)
Change in cash and cash equivalents in the year		(246,702)	162,798
Cash and cash equivalents brought forward		428,074	265,276
Cash and cash equivalents carried forward		181,372	428,074

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2023

Accounting Policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Heywood Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These accounts are prepared on the historic cost basis of accounting except for investments which have been included at revalued amounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of any potential pressures on income and costs from the impact the high inflation environment. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore adopts the going concern basis in preparing its financial statements.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

Income

All 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.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2023

Accounting Policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

Current Asset Investments

Current asset investments consist of cash equivalents held on maturities of greater than three months but less than a year.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2023

	2023	2022
1 INCOME FROM DONATIONS		
Donations - unrestricted	9,283	142,928
Donations - restricted	-	-
	9,283	142,928
2 EXPENDITURE ON CHARITABLE ACTIVITIES		
	2023	2022
	£	£
Competition Prizes	64,000	1,000
Competition Development	61,419	52,719
Prize Ceremony	-	1,571
Heywood Fellow Support	14,928	-
	140,347	55,290
3 COST OF RAISING FUNDS		
	2023	2022
	£	£
Platform Fees	32	50
	32	50
4 ADMINISTRATION COSTS		
	2023	2022
	£	£
Independent Examiner's remuneration	3,780	3,534
Other	707	332
Bank Charges	1,774	2,347
	6,261	6,213
5 FIXED ASSET INVESTMENTS		
	2023	2022
	£	£
Market value		
Opening Balance - 1 May	750,600	952,710
Sales	(17,956)	(254,364)
Additions	200,003	17,956
Unrealised gain/(loss)	(179,870)	34,297
	752,777	750,600
 Investments at market value comprise:		
	2023	2022
	£	£
Listed investments	752,777	732,643
Cash equivalents on deposits for > 1 year	-	17,956
	752,777	750,600

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2023

6	DEBTORS	2023	2022
		£	£
	Other debtors	1,754	98
7	CURRENT ASSET INVESTMENTS	2023	2022
		£	£
	Cash equivalents on deposits	375,806	333,484
8	CREDITORS: amounts falling due within one year	2023	2022
		£	£
	Other creditors	19,744	5,820
	Accruals and deferred income	68,780	4,534
		88,524	10,354

9 SUMMARY OF FUNDS

	Funds b/ fwd	Incoming resources	Resources expended	Gains	Funds c/ fwd
2023	£	£	£	£	£
Unrestricted Funds	1,455,583	47,794	146,640	(179,870)	1,176,867
Restricted Funds	46,318	-	-	-	46,318
TOTAL	1,501,901	47,794	146,640	(179,870)	1,223,185
2022	£	£	£	£	£
Unrestricted Funds	1,300,699	182,141	61,554	34,297	1,455,583
Restricted Funds	46,318	-	-	-	46,318
TOTAL	1,347,017	182,141	61,554	34,297	1,501,901

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted fund	Total 2023
	£	£	£
Fixed asset investments	752,777	-	752,777
Debtors	1,754	-	1,754
Current asset Investments	375,806	-	375,806
Cash at the bank and in hand	135,054	46,318	181,372
Creditors due within one year	(88,524)	-	(88,524)
	1,176,867	46,318	1,223,185
	£	£	£
Fixed asset investments	750,600	-	750,600
Debtors	98	-	98
Current asset investments	333,484	-	333,484
Cash at the bank and in hand	381,756	46,318	428,074
Creditors due within one year	(10,354)	-	(10,354)
	1,455,583	46,318	1,501,901

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2023

11 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net movement on funds	(278,716)	154,885
Deduct: Investment income	(38,512)	(39,212)
Add/Deduct: (Gains)/Losses on investments	179,870	(34,297)
Decrease/(Increase) in debtors	(1,657)	125
Increase/(Decrease) in creditors	78,170	(60,338)
	<u>(60,844)</u>	<u>21,162</u>

12 RELATED PARTY DISCLOSURES

Payments of £1,050 (2022: £460) to a Trustee, Simon Heywood, as reimbursement of the LEI Number Renewal Fee, ICO Registration Fee and Mailchimp Subscription Fees paid. Payments of £607 (2022: £214) were made to the Chair of Trustees, Suzanne Heywood, as reimbursement of Wordpress and GoDaddy Subscription Fees.

HEYWOOD FOUNDATION

England & Wales - Charity number 1180790

Accounts

HEYWOOD

FOUNDATION

Charity No. 1180790

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2022**

HEYWOOD FOUNDATION

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Heywood Foundation

Legal and Administrative Information

Trustees: Suzanne Heywood (Chair)
Zamila Bunglawala
Gareth Davies
David Halpern
Simon Heywood
Helen MacNamara
Sue Owen
Simon Robey
Sue Gray (appointed 17th May 2021)

Charity Number: 1180790

Registered Office: The Cabinet Office
70 Whitehall
London
SW1A 2AS

Independent Examiners: Moore Kingston Smith LLP3
6th Floor
9 Appold Street
London
EC2A 9AP

Bankers: Coutts & Co
440 Strand
London
WC2R OQS

Letter from the Chair of the Board

The Heywood Foundation was established in November 2018 following the death of Lord Heywood of Whitehall to promote two things that he made central to his work – innovation in public policy and promoting diversity.

This has been the third year of the Foundation's work. I would like to thank, first and foremost, the many generous donors who have continued to make it possible for us to set up and maintain the Foundation. I know that Jeremy would have been honoured and touched by the contributions they have made, and as a Board we are determined to make the best possible use of those funds to forward our objectives. I am also very grateful to my fellow Trustees and to all those others who have offered their time and expertise to help run the Foundation.

In my last letter I described our work on the 2021 Heywood Prize, which we launched in January 2021 and which generated over 1900 entries. We were delighted by the response to this prize and also by the interest that it generated within Government. I am delighted to say that several of the ideas, including the proposal to create an NHS Reserve Force and to help disabled graduates get into work are being considered by government and we expect that both will be implemented in some form. This demonstrates the power of open source idea creation and again underlines one of the things in which Jeremy strongly believed - the best ideas often come from the most expected places.

I am therefore delighted that we have now launched the 2022 Heywood Prize. This prize will again be open to anyone to enter but we are particularly encouraging youth entries as we are conscious of the need to draw ideas from as wide a population as possible. As such we have engaged the support of youth organisations including The Prince's Trust and Scouts UK.

The 2022 prize will close early next year and we expect to conclude the judging by the Spring. I am therefore looking forward to sharing the results with you in my next letter.

Once again I would like to thank you, on behalf of our Board, for your ongoing support to the Heywood Foundation. Without your support we would not be able to do this work, continuing to promote innovation and diversity within the public sector in the UK.

Suzanne Heywood

Trustees' Report

The Board of Trustees presents its report and the financial statements for the year ended 30th April 2022. The Trustees confirm that the report and financial statements of the Foundation have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with statutory requirements.

Objectives of the Foundation

The Heywood Foundation was set up in 2018 to continue the work championed by former Cabinet Secretary Jeremy Heywood on innovative policy creation and diversity within the UK public services. These two issues mattered in the past and will continue to matter in the future whatever challenges our country faces.

Jeremy believed that increasing innovation and diversity will create a more effective Civil Service. On innovative policy thinking Jeremy helped set up the Nudge Unit, he built and used a personal network of contacts to source and test new ideas and he introduced areas of research interest (ARIs), which let academics know what the civil service doesn't know so they can help fill in the gaps. On diversity he believed that the civil service could lead the way, setting up champions for each area of diversity, pushing for clear information and setting individual targets for Permanent Secretaries to achieve. But so much more is needed. The need for innovative policy will never disappear and there will always be new diversity challenges, to make the civil service better reflect the people it serves and so achieve better policy making and delivery.

Structure, Governance and Management

The Heywood Foundation was established as a Charitable Incorporated Organisation and registered at the Charity Commission on 22nd November 2018.

It is run by its Board of Trustees, comprising a number of family, friends and colleagues of Jeremy Heywood who share his passion for increased innovation and diversity. The Board is chaired by Suzanne Heywood. Simon Heywood has responsibility for the Foundation's finances. The Board has been supported on a voluntary basis by many others, allowing the costs of running the Foundation to be minimised. Additional assistance for the charitable activities is provided by IT and administration contractors.

The Foundation adheres to the principles of the Charity Governance Code.

Under the Constitution, the original Trustees serve for a term of 4 years. New Trustees are appointed by the Board of Trustees for a term of 3 years. Any retiring Trustee is eligible for reappointment. Sue Gray became a Trustee in May 2021 and Simon Robey and Gareth Davies were reappointed for further 3 year terms in May 2022.

An Investment Sub-Committee has been established comprising at least three Trustees and one external member with professional investment expertise. The

current overall investment objective is to generate a rate of return of around 5% per annum on money held in excess of £200,000 over the medium/long term.

Achievements and Performance

This third year saw the successful completion of the inaugural Heywood Prize and the Foundation sharing the winning ideas with Government and other policy organisations and facilitating discussions around them. Preparations also commenced for the second competition, which launched in September 2022.

Against the background of the COVID 19 pandemic, the Trustees decided in 2020 the best way of meeting its objectives at that time was through launching The Heywood Prize to seek innovative policy ideas from the general public and to present the best of these ideas to Government and others interested in developing policy. Thus providing an opportunity for these ideas to be implemented and play a part in building back better as the country emerged from the current crisis.

The competition was launched in January 2021 and the public response was overwhelming, with over 1900 entries received, providing many different perspectives on a very wide range of issues. 30 prizes, of total value £66,000, were awarded at a ceremony in July 2021. We are very grateful to all entrants, sifters and judges for making it such a success. We are also grateful to Tortoise Media for supporting the Prize Ceremony.

The winning and other best ideas have been shared with UK Government Departments, academic institutions and think tanks to make sure as many as possible are considered and implemented.

For example, a number of the ideas have been discussed directly with the UK Prime Minister's Office and a panel of academics and practitioners was convened at The Blavatnik School of Government to discuss a winning idea about Citizen's Assemblies.

Of particular note, the overall winning idea - A Territorial Army for the NHS - has been picked up and is being developed by a team within the NHS and is being considered for inclusion in their Long Term Plan.

Given the success of The Prize, a second competition was launched in September 2022 and we have been reflecting on some of the learnings of the first to ensure the entrants are as diverse and representative as possible. The IT behind the Prize is also being refined to make the sifting of the ideas simpler and more democratic and we are also exploring the extent to which Artificial Intelligence can help through a programme which, if successful, could have wider implications.

We are extremely grateful to those who have generously donated this year and in the past, allowing our fundraising targets to be exceeded. During the year, donations totalled £143k (2021 - £70k) and this income was supplemented by dividend /interest income of £39k (2021- £32k). Reserves were also bolstered by investment valuation

gains of £34k (2021 - £60k), despite the unfavourable market conditions in the second half of the financial year.

£65k of the prize money for the inaugural prize had been accrued as at end of the 2021 financial year, so the Foundation's main charitable expenditure during this year was to support the development of the second Heywood Prize. Of the total charitable expenditure of £55k (2021-£70k), £46k was incurred on developing the IT infrastructure to improve subsequent competitions and in developing the Artificial Intelligence framework. A further £6k was spent on organising the second competition and £2.5k for the Prize Ceremony held in July 2021 and the additional prize.

We have entered into contracts with specialists in IT/AI and administration to provide these services.

As the Foundation continued to be run by the Trustees with the support of family and friend volunteers, administration costs excluding bank fees and the costs of the Independent Examination of £353 remained very low (2021 - £159).

Overall, a surplus of £155k was generated in the year (2021- £85k), leading to Total Reserves at the Year End of £1.50m (2021- £1.34m), of which £46k (2021 - £46k) were Restricted Funds. These are held to specifically support the work of future Heywood Fellows.

Taking a cautious approach, exposure to equity markets was reduced during the second half of the year because of the unfavourable market conditions. Accordingly, despite capital gains of £34k, the investment portfolio reduced to £732k from £952k.

Given the improving interest rate environment, a number of fixed rate cash deposits were entered into of duration 4-18 months and yielding 0.85%- 1.75%. These are classified as Current & Fixed Asset Investments.

Reserves Policy

The Foundation was originally set up with the intention of operating for 10 years, from the summer of 2019. Its Reserves Policy is to maintain sufficient Reserves to fund expenditure of at least £100,000 per annum (adjusted for inflation) on charitable activities until 2029. Additional funds held and raised in the future will be utilised on additional projects consistent with the Foundations objectives and/or to extend its timespan.

Principal Risks and Uncertainties

The Trustees are responsible for monitoring and mitigating the principal risks being faced by the Foundation and are satisfied that processes are in place which ensure

good governance, prevent fraud or malpractice and retain the good reputation of the Foundation.

The principal risks are those which, without mitigation, would have a serious impact on the activities of the Foundation:

The Cabinet Office is unwilling or unable to support the Foundation's activities. Regular contact is made at both senior official and ministerial level to ensure ongoing buy-in and a range of other options is available to further the Foundation's objectives of increasing innovation and diversity within the UK public sector, whether or not the Cabinet Office actively supports its activities.

Reputational risks as a result of a project not being successfully concluded or having a disappointing impact. The Trustees take a rigorous approach to decision making and projects only proceed when there is a clear buy-in from all interested parties and when the objectives and scope are clear. Once initiated, the progress of the project is monitored closely by the Trustees.

Additionally, the Trustees have considered the impact COVID19 has had and may continue to have on the Foundation and are confident there has been no direct impact on its fundraising plans or its cost base. Its reserves are strong. The Trustees have been able to continue to meet by Zoom. As described in the Letter from the Chair of the Board, the Trustees considered how the Foundation can help society respond to the challenges arising from the pandemic and, as a result, launched the Heywood Prize.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business; and
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 19th December 2022 and signed on their behalf, by:



Simon Heywood
Trustee

Independent Examiner's Report to the Trustees of Heywood Foundation

I report to the trustees on my examination of the accounts of Heywood Foundation for the year ended 30 April 2022.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Neil Finlayson
(ACA, ICAEW)

For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

6th Floor
9 Appold Street
London EC2A 9AP

Date: 22-12-22

Heywood Foundation
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 April 2022

Note	Unrestricted Funds £	Restricted Fund £	Total 2022 £	Unrestricted Funds £	Restricted Fund £	Total 2021 £
INCOME AND ENDOWMENTS FROM:						
Bank Interest Received	3,125		3,125	562		562
Dividend Income	36,087		36,087	31,706		31,706
Donations 1	142,928	-	142,928	44,859	25,000	69,859
TOTAL INCOME AND ENDOWMENTS	<u>182,141</u>	<u>-</u>	<u>182,141</u>	<u>77,127</u>	<u>25,000</u>	<u>102,127</u>
EXPENDITURE ON:						
Charitable activities 2	55,290	-	55,290	70,147	-	70,147
Cost of Raising Funds 3	50		50	77		77
Administration Costs 4	6,213		6,213	7,492		7,492
TOTAL EXPENDITURE	<u>61,554</u>	<u>-</u>	<u>61,554</u>	<u>77,716</u>	<u>-</u>	<u>77,716</u>
NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS BEFORE GAINS AND (LOSSES) ON INVESTMENTS						
	120,587	-	120,587	(589)	25,000	24,411
Gains/(Losses) on investment assets 5	34,297		34,297	60,354		60,354
NET MOVEMENT IN FUNDS FOR THE YEAR	154,884	-	154,884	59,765	25,000	84,765
Funds brought forward at 1 May	1,300,699	46,318	1,347,016	1,240,934	21,318	1,262,251
TOTAL FUNDS AT 30 APRIL	1,455,583	46,318	1,501,901	1,300,699	46,318	1,347,016

**Heywood Foundation
BALANCE SHEET
as at 30th April 2022**

	Note	2022 £	2021 £
FIXED ASSETS			
Investments	5	750,600	952,710
		<u>750,600</u>	<u>952,710</u>
CURRENT ASSETS			
Debtors	6	98	223
Current asset investments	7	333,484	199,500
Cash at bank and in hand		428,074	265,276
		<u>761,655</u>	<u>464,999</u>
CREDITORS: Amounts falling due within one year	8	(10,354)	(70,692)
NET CURRENT ASSETS		<u>751,301</u>	<u>394,306</u>
NET ASSETS		<u>1,501,901</u>	<u>1,347,016</u>
CHARITY FUNDS			
Restricted Funds	9,10	46,318	46,318
Unrestricted Funds	9,10	1,455,583	1,300,699
		<u>1,501,901</u>	<u>1,347,016</u>

The financial statements were approved by the Trustees on 19th December 2022 and signed on their behalf, by:


Simon Heywood
Trustee

Heywood Foundation
STATEMENT OF CASH FLOWS
for the year ended 30th April 2022

	Note	2022 £	2021 £
Cash flows from operating activities	11	21,162	54,265
Cash flows from investing activities			
Investment income		39,212	32,268
Sale of fixed asset investments		254,364	-
Purchase of fixed asset investments		(17,956)	(596,819)
Purchase of current asset investments		(133,984)	(199,500)
Change in cash and cash equivalents in the year		162,798	(709,786)
Cash and cash equivalents brought forward		265,276	975,062
Cash and cash equivalents carried forward		428,074	265,276

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2022

Accounting Policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Heywood Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These accounts are prepared on the historic cost basis of accounting except for investments which have been included at revalued amounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of any potential pressures on income and costs from the impact of Covid-19 and the high inflation environment. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore adopts the going concern basis in preparing its financial statements.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

Income

All 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.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2022

Accounting Policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

Current Asset Investments

Current asset investments consist of cash equivalents held on maturities of greater than three months but less than a year.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2022

	2022	2021
1 INCOME FROM DONATIONS		
Donations - unrestricted	142,928	44,859
Donations - restricted	-	25,000
	<u>142,928</u>	<u>69,859</u>
2 EXPENDITURE ON CHARITABLE ACTIVITIES		
	2022	2021
	£	£
Competition Prizes	1,000	65,000
Competition Development	52,719	5,147
Prize Ceremony	1,571	-
	<u>55,290</u>	<u>70,147</u>
3 COST OF RAISING FUNDS		
	2022	2021
	£	£
Platform Fees	50	77
	<u>50</u>	<u>77</u>
4 ADMINISTRATION COSTS		
	2022	2021
	£	£
Independent Examiner's remuneration	3,534	3,240
Other	332	118
Bank Charges	2,347	4,134
	<u>6,213</u>	<u>7,492</u>
5 FIXED ASSET INVESTMENTS		
	2022	2021
	£	£
Market value		
Opening Balance - 1 May	952,710	295,537
Sales	(254,364)	-
Additions	17,956	596,819
Unrealised gain/(loss)	34,297	60,354
Closing Balance - 30 April	<u>750,600</u>	<u>952,710</u>
 Investments at market value comprise:		
	2022	2021
	£	£
Listed investments	732,643	952,710
Cash equivalents on deposits for > 1 year	17,956	-
	<u>750,600</u>	<u>952,710</u>

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2022

6	DEBTORS	2022	2021
		£	£
	Other debtors	98	223
7	Current asset investments	2022	2021
		£	£
	Cash equivalents on deposits	333,484	199,500
8	CREDITORS: amounts falling due within one year	2022	2021
		£	£
	Other creditors	5,820	2,452
	Accruals and deferred income	4,534	68,240
		10,354	70,692

9 SUMMARY OF FUNDS

	Funds b/ fwd	Incoming resources	Resources expended	Gains	Funds c/ fwd
2022	£	£	£	£	£
Unrestricted Funds	1,300,699	182,141	61,554	34,297	1,455,583
Restricted Funds	46,318	-	-	-	46,318
TOTAL	1,347,017	182,141	61,554	34,297	1,501,901
2021	Funds b/ fwd	Incoming resources	Resources expended	Gains	Funds c/ fwd
	£	£	£	£	£
Unrestricted Funds	1,240,934	77,127	77,716	60,354	1,300,699
Restricted Funds	21,318	25,000	-	-	46,318
TOTAL	1,262,252	102,127	77,716	60,354	1,347,016

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted fund	Total 2022
	£	£	£
Fixed asset investments	750,600		750,600
Debtors	98		98
Current asset Investments	333,484		333,484
Cash at the bank and in hand	381,756	46,318	428,074
Creditors due within one year	(10,354)		(10,354)
	1,455,583	46,318	1,501,901
2021	Unrestricted fund	Restricted fund	Total 2021
	£	£	£
Fixed asset investments	952,710		952,710
Debtors	223		223
Current asset investments	199,500		199,500
Cash at the bank and in hand	218,958	46,318	265,276
Creditors due within one year	(70,692)		(70,692)
	1,300,698	46,318	1,347,016

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2022

11 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net movement on funds	154,885	84,764
Deduct: Investment income	(39,212)	(32,268)
Add/Deduct: Gains on investments	(34,297)	(60,354)
Decrease/(Increase) in debtors	125	(169)
Increase in creditors	(60,338)	62,291
	<u>21,162</u>	<u>54,265</u>

12 RELATED PARTY DISCLOSURES

Payments of £460.21 (2021: £118) to a Trustee, Simon Heywood, as reimbursement of the LEI Number Renewal Fee, ICO Registration Fee and Mailchimp Subscription Fees paid. A payment of £214.29 (2021: nil) was made to the Chair of Trustees, Suzanne Heywood, as reimbursement of the Wordpress Subscription Fee. Simon Heywood donated £50 to seed a new Hargreaves Lansdown Fund & Shares account (2021: nil).

HEYWOOD FOUNDATION

England & Wales - Charity number 1180790

Accounts

HEYWOOD

FOUNDATION

Charity No. 1180790

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2021**

HEYWOOD FOUNDATION

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Heywood Foundation

Legal and Administrative Information

Trustees: Suzanne Heywood (Chair)
Zamila Bunglawala
Gareth Davies
David Halpern
Simon Heywood
Helen MacNamara
Sue Owen
Simon Robey
Sue Gray (appointed 17th May 2021)

Charity Number: 1180790

Registered Office: The Cabinet Office
70 Whitehall
London
SW1A 2AS

Independent Examiners: Moore Kingston Smith LLP
Devonshire House
Goswell Road
London
EC1M 7AD

Bankers: Coutts & Co
440 Strand
London
WC2R 0QS

Letter from the Chair of the Board

The Heywood Foundation was established in November 2018 following the death of Lord Heywood of Whitehall with the intention of continuing to promote two things that he made central to his own work – innovation in public policy and promoting diversity.

This has been the second year of the Foundation's work. I would like to thank, first and foremost, the many generous donors who have continued to make it possible for us to establish and maintain the Foundation. I know that Jeremy would have been honoured and touched by the contributions they have made, and as a Board we are determined to make the best possible use of those funds to forward the objectives of the Foundation. I am also very grateful to my fellow Trustees and to all those others who have offered their time and expertise to help set up and run the Foundation.

In my last letter, which was written in the early stages of the COVID pandemic, I said that we were planning to launch a Heywood Prize. The aim of this prize was something that Jeremy would have strongly supported – making sure that we did not stop innovating policy during the crisis, so that we would emerge from it with ideas for how to make our country better.

We launched The Heywood Prize on 4th January with an article in *The Times* and a series of follow up press briefings including slots on *Times Radio* (Matt Chorley) and *Westminster Hour*. I was also able to use some of the interviews around the launch of my biography of Jeremy, *'What does Jeremy think?'* to promote the Prize and it was also promoted through a number of our partners including the Blavatnik School, the LSE, and Ark Schools.

The Prize asked entrants to answer one or both of the following questions:

1. What is a key challenge or opportunity presented by the COVID-19 pandemic and its consequences?
2. In the case of a problem, how might we fix it? In the case of an opportunity, how do we capitalise on it?

A series of prizes were offered for the winners - the top prize for the first question was £5,000 and the top prize for the second was £25,000. The competition was open to anyone (in the UK or abroad and of any age) and we closed it on 23rd March 2021, the anniversary of the first COVID lockdown in the UK.

We were overwhelmed by the response to the competition, which generated over 1900 entries. This success, however, immediately posed a problem: how to sift these entries? A problem that we solved by recruiting almost 80 'sifters' - civil servants and consultants who generously volunteered their time to go through sets of the entries.

Our sifters judged the entries based on three broad criteria:

- i. The significance of the challenge or opportunity (and scale of impact if addressed)

- ii. Novelty of the issue identified, or slant on it (i.e. is this issue already well known?), or for the second question, the solution being proposed
- iii. Incisiveness of the account (i.e. the impact or persuasiveness of the entry, including there being a prospect it might be soluble) and, for the second question, the practicality/doability and possible impact of the solution being proposed.

Once sifted, the ideas were then considered by our judging panel. This consisted (in addition to myself) of Ed Balls, Damon Buffini, Roger Carr, Amika George, Michael Gove, David Halpern, Gus O'Donnell, Minouche Shafik, Mustafa Suleyman and Sharon White.

I am very grateful both to our sifters, who worked incredibly hard to go through the entries initially, and our judging panel, who made time in their extremely busy lives to consider the entries in a very thoughtful and considered way.

We announced our Prize winners on Thursday, 1st July in a ceremony hosted jointly with Tortoise Media. You will find on our website (heywoodfoundation.com) all our winners and runners up and a link to a recording of the ceremony. We have also made all the top rated entries (the top 500 selected by our sifters) from the competition available on our website and are sharing the ideas with relevant government departments, academic institutions and think tanks to make sure as many as possible are considered and implemented.

As a Board we are now considering our priorities for next year including the timing of the next Heywood Prize. We are also reflecting on some of the learnings from this year, including how we can ensure our entrants are as diverse and representative of society as possible.

This has continued to be a difficult time for many, but we are delighted by the amount of creativity and innovation that the prize has revealed and are hugely grateful to you, our donors, for making it possible for us to capture and share this innovation with Whitehall and more broadly.

Suzanne Heywood

Trustees' Report

The Board of Trustees presents its report and the financial statements for the year ended 30th April 2021. The Trustees confirm that the report and financial statements of the Foundation have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with statutory requirements.

Objectives of the Foundation

The Heywood Foundation was set up to continue the work championed by former Cabinet Secretary Jeremy Heywood on innovative policy creation and diversity within the UK public services. These two issues mattered in the past and will continue to matter in the future whatever challenges our country faces.

Jeremy believed that increasing innovation and diversity will create a more effective Civil Service. On innovative policy thinking Jeremy helped set up the Nudge Unit, he built and used a personal network of contacts to source and test new ideas and he introduced areas of research interest (ARIs), which let academics know what the civil service doesn't know so they can help fill in the gaps. On diversity he believed that the civil service could lead the way, setting up champions for each area of diversity, pushing for clear information and setting individual targets for Permanent Secretaries to achieve. But so much more is needed. The need for innovative policy will never disappear and there will always be new diversity challenges, to make the civil service better reflect the people it serves and so achieve better policy making and delivery.

Structure, Governance and Management

The Heywood Foundation was established as a Charitable Incorporated Organisation and registered at the Charity Commission on 22nd November 2018.

It is run by its Board of Trustees, comprising a number of family, friends and colleagues of Jeremy Heywood who share his passion for increased innovation and diversity. The Board is chaired by Suzanne Heywood. Simon Heywood has responsibility for the Foundation's finances. The Board has been supported on a voluntary basis by many others, allowing the costs of running the Foundation to be minimised.

The Foundation adheres to the principles of the Charity Governance Code.

Under the Constitution, the original Trustees serve for a term of 4 years. New Trustees are appointed by the Board of Trustees for a term of 3 years. Any retiring Trustee is eligible for reappointment.

An Investment Sub-Committee has been established comprising at least three Trustees and one external member with professional investment expertise. The current overall investment objective is to generate a rate of return of around 5% per annum on money held in excess of £200,000 over the medium/long term.

Achievements and Performance

In this second year of the Foundation, against the background of the COVID 19 pandemic, the Trustees decided the best way of meeting its objectives was through launching The Heywood Prize to seek innovative policy ideas from the general public and to present the best of these ideas to Government and others interested in developing policy. Thus providing an opportunity for these ideas to be implemented and play a part in building back better as the country emerges from the current crisis.

The Trustees were overwhelmed by the response to the launch of the Prize, with over 1900 entries received, providing many different perspectives on a very wide range of issues. We are very grateful to all entrants, sifters and judges for making it such a success.

We also remain extremely grateful to those who have generously donated this year and in the past, allowing our original fundraising targets to be met. During the year, donations totalled £70k and this income was supplemented by dividend /interest income of £32k. Reserves were also bolstered by investment valuation gains of £60k.

The Foundation's charitable expenditure during the year was to support The Heywood Prize. Prize money of £65k was accrued at the year end and additional costs of £5k were incurred for predominantly IT technical support.

A Prize Ceremony was held after the Year End on 1st July. The winning entries, together with others that were shortlisted, are available on the Heywood Foundation's website and are being shared with relevant Government Departments and other interested bodies in the hope that as many as possible will be taken forward.

As the Foundation continued to be run by the Trustees with the support of family and friend volunteers, administration costs remained minimal (£159 - excluding bank fees and Audit costs).

Overall, a surplus of £84k was generated in the year, leading to Total Reserves at the Year End of £1.34m, of which £46k were Restricted Funds. These are held to specifically support the work of future Heywood Fellows.

Reserves Policy

The Foundation was originally set up with the intention of operating for 10 years, from the summer of 2019. Its Reserves Policy is to maintain sufficient Reserves to fund expenditure of at least £100,000 per annum (adjusted for inflation) on charitable activities until 2029. Additional funds held and raised in the future will be utilised on additional projects consistent with the Foundations objectives and/or to extend its timespan.

Principal Risks and Uncertainties

The Trustees are responsible for monitoring and mitigating the principal risks being faced by the Foundation and are satisfied that processes are in place which ensure good governance, prevent fraud or malpractice and retain the good reputation of the Foundation.

The principal risks are those which, without mitigation, would have a serious impact on the activities of the Foundation:

The Cabinet Office is unwilling or unable to support the Foundation's activities. Regular contact is made at both senior official and ministerial level to ensure ongoing buy-in and a range of other options is available to further the Foundation's objectives of increasing innovation and diversity within the UK public sector, whether or not the Cabinet Office actively supports its activities.

Reputational risks as a result of a project not being successfully concluded or having a disappointing impact. The Trustees take a rigorous approach to decision making and projects only proceed when there is a clear buy-in from all interested parties and when the objectives and scope are clear. Once initiated, the progress of the project is monitored closely by the Trustees.

Additionally, the Trustees have considered the impact COVID19 has had and may continue to have on the Foundation and are confident there has been no direct impact on its fundraising plans or its cost base. Its reserves are strong. The Trustees have been able to continue to meet by Zoom. As described in the Letter from the Chair of the Board, the Trustees considered how the Foundation can help society respond to the challenges arising from the pandemic and, as a result, launched the Heywood Prize.

Statement of Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business; and
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deeds. They 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 6th October 2021 and signed on their behalf, by:

A handwritten signature in black ink, appearing to be 'S W' with a horizontal line underneath.

Simon Heywood
Trustee

Independent Examiner's Report to the Trustees of Heywood Foundation

I report to the trustees on my examination of the accounts of Heywood Foundation for the year ended 30 April 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

Neil Finlayson

(ACA, ICAEW)

For and on behalf of Moore Kingston Smith LLP

Chartered Accountants

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 11 October 2021

Heywood Foundation
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 April 2021

Note	Unrestricted Funds £	Restricted Fund £	Total 2021 £	Unrestricted Funds £	Restricted Fund £	Total 2020 £
INCOME AND ENDOWMENTS FROM:						
Bank Interest Received	562		562	6,021		6,021
Dividend Income	31,706		31,706			
Donations	44,859	25,000	69,859	1,254,863	25,000	1,279,863
TOTAL INCOME AND ENDOWMENTS	<u>77,127</u>	<u>25,000</u>	<u>102,127</u>	<u>1,260,884</u>	<u>25,000</u>	<u>1,285,884</u>
EXPENDITURE ON:						
Charitable activities	70,147	-	70,147	4,168	3,682	7,850
Cost of Raising Funds	77		77	1,955		1,955
Administration Costs	7,492		7,492	9,417		9,417
TOTAL EXPENDITURE	<u>77,716</u>	<u>-</u>	<u>77,716</u>	<u>15,539</u>	<u>3,682</u>	<u>19,221</u>
NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS BEFORE GAINS AND (LOSSES) ON INVESTMENTS						
	(589)	25,000	24,411	1,245,345	21,318	1,266,662
Gains/(Losses) on investment assets	60,354		60,354	(4,411)		(4,411)
NET MOVEMENT IN FUNDS FOR THE YEAR	59,765	25,000	84,765	1,240,934	21,318	1,262,251
Funds brought forward at 1 May	1,240,934	21,318	1,262,251			
TOTAL FUNDS AT 30 APRIL	1,300,699	46,318	1,347,016	1,240,934	21,318	1,262,251

**Heywood Foundation
BALANCE SHEET
as at 30th April 2021**

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	5	952,710	295,537
		<u>952,710</u>	<u>295,537</u>
CURRENT ASSETS			
Debtors	6	223	54
Cash at bank and in hand		464,776	975,062
		<u>464,999</u>	<u>975,116</u>
CREDITORS: Amounts falling due within one year	7	(70,692)	(8,401)
NET CURRENT ASSETS		<u>394,306</u>	<u>966,714</u>
NET ASSETS		<u>1,347,016</u>	<u>1,262,251</u>
CHARITY FUNDS			
Restricted Funds	8,9	46,318	21,318
Unrestricted Funds	8,9	1,300,699	1,240,934
		<u>1,347,016</u>	<u>1,262,251</u>

The financial statements were approved by the Trustees on 6th October 2021 and signed on their behalf, by:



Simon Heywood
Trustee

Heywood Foundation
STATEMENT OF CASH FLOWS
for the year ended 30th April 2021

	Note	2021 £	2020 £
Cash flows from operating activities	10	54,265	1,268,989
Cash flows from investing activities			
Investment income		32,268	6,021
Purchase of investments		(596,819)	(299,948)
Change in cash and cash equivalents in the year		(510,286)	975,062
Cash and cash equivalents brought forward		975,062	-
Cash and cash equivalents carried forward		464,776	975,062

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2021

Accounting Policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Heywood Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These accounts are prepared on the historic cost basis of accounting except for investments which have been included at revalued amounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of any potential pressures on income and the impact of Covid-19. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore adopts the going concern basis in preparing its financial statements.

Reporting Period

The entity has prepared the financial statements for a 12 month period however the comparative accounts are presented for a longer period from incorporation on 22nd November 2018 to 30 April 2020. Therefore the amounts presented in the financial statements (including the related notes) are not entirely comparable.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

Income

All 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.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2021

Accounting Policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2021

	2021	2020
1 INCOME FROM DONATIONS		
Donations - unrestricted	44,859	1,254,863
Donations - restricted	25,000	25,000
	<u>69,859</u>	<u>1,279,863</u>
2 EXPENDITURE ON CHARITABLE ACTIVITIES		
	2021	2020
	£	£
Competition Prizes	65,000	-
Administration support	5,147	3,682
Heywood Fellow Event at Cumberland Lodge	-	3,535
Other Heywood Fellow Events	-	632
	<u>70,147</u>	<u>7,850</u>
3 COST OF RAISING FUNDS		
	2021	2020
	£	£
Platform Fees	77	1,389
Stationery Costs	-	566
	<u>77</u>	<u>1,955</u>
4 ADMINISTRATION COSTS		
	2021	2020
	£	£
Independent Examiner's remuneration	3,240	8,400
Other	118	108
Bank Charges	4,134	909
	<u>7,492</u>	<u>9,417</u>
5 FIXED ASSET INVESTMENTS		
	2021	2020
	£	£
Market value		
Opening Balance - 1 May	295,537	-
Additions	596,819	299,948
Unrealised gain/(loss)	60,354	(4,411)
Closing Balance - 30 April	<u>952,710</u>	<u>295,537</u>
Investments at market value comprise:		
	2021	2020
	£	£
Listed investments	952,710	295,537
6 DEBTORS		
	2021	2020
	£	£
Other debtors	223	54

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2021

7	CREDITORS: amounts falling due within one year	2021	2020
		£	£
	Other creditors	2,452	1
	Accruals and deferred income	68,240	8,400
		70,692	8,401

8 SUMMARY OF FUNDS

	Funds b/ fwd	Incoming resources	Resources expended	Gains	Funds c/ fwd
2021	£	£	£	£	£
Unrestricted Funds	1,240,934	77,127	77,716	60,354	1,300,699
Restricted Funds	21,318	25,000	-	-	46,318
TOTAL	1,262,251	102,127	77,716	60,354	1,347,016
2020	£	£	£	Losses	Funds c/ fwd
Unrestricted Funds	-	1,260,884	15,539	4,411	1,240,934
Restricted Funds	-	25,000	3,682		21,318
TOTAL	-	1,285,884	19,221	4,411	1,262,251

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted fund	Total 2021
	£	£	£
Fixed asset investments	952,710		952,710
Debtors	223		223
Cash at the bank and in hand	418,458	46,318	464,776
Creditors due within one year	(70,692)		(70,692)
	1,300,698	46,318	1,347,016
	Unrestricted fund	Restricted fund	Total 2020
	£	£	£
Fixed asset investments	295,537		295,537
Debtors	54		54
Cash at the bank and in hand	953,744	21,318	975,062
Creditors due within one year	(8,401)		(8,401)
	1,240,934	21,318	1,262,251

Heywood Foundation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th April 2021

10 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net movement on funds	84,765	1,262,251
Deduct: Investment income	(32,268)	(6,021)
Add/Deduct: Gains on investments	(60,354)	4,411
Decrease/(Increase) in debtors	(169)	(54)
Increase in creditors	62,291	8,401
	<u>54,265</u>	<u>1,268,989</u>

11 RELATED PARTY DISCLOSURES

Payments of £118 (2020: £108) to a Trustee, Simon Heywood, as reimbursement of the LEI Number Renewal Fee and ICO Registration Fee paid. No Trustees (2020: 2) have a financial interest in organisations which made donations during the year (2020: such donations were made totalling £110,000).