

A black and white photograph of five school children in uniform sitting on a playground structure. Two boys are standing in the back, and three girls are sitting in the front. They are all smiling and looking towards the camera. The background shows a residential area with houses and trees.

THE HARGREAVES FOUNDATION

Charitable Incorporated Organisation
Registered Number 1187297

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 January 2023

CONTENTS

CHAIR & EXECUTIVE COMMENT	1
TRUSTEES' REPORT OBJECTIVES AND ACTIVITIES	2
ACHIEVEMENTS & PERFORMANCE	3
HOW HAVE WE MET OUR OBJECTIVES?	4
THE HARGREAVES FOUNDATION EARLY INTERVENTION SCHEME	8
IMPACT ANALYSIS	11
FINANCIAL REVIEW	15
STRUCTURE, GOVERNANCE AND MANAGEMENT	18
REFERENCE AND ADMINISTRATIVE DETAILS	19
RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS	20
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE HARGREAVES FOUNDATION FOR THE YEAR ENDED 31 JANUARY 2023	21
STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 JANUARY 2023	25
BALANCE SHEET AS AT 31 JANUARY 2023	26
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2023	27
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023	28

CHAIR & EXECUTIVE COMMENT

Throughout the past year we have continued to work towards our vision of supporting vulnerable children and young people through sport and education. The initiatives we have funded will transform the lives of countless under 18s, providing them with optimism, support, and opportunities to thrive.

As we reflect on the achievements of the past year, we also recognise the challenges that lie ahead. The current global landscape is unprecedented. We remain resolute in our determination to continue funding projects and initiatives delivering positive change.

Peter Hargreaves

The past year has seen numerous successes and a number of challenges, but our commitment to supporting disadvantaged children and young people through sport and education remains steadfast.

The impact of our funding has been significant and far-reaching. Through various programmes and initiatives, we have been able to positively impact the lives of those most in need.

Education remains a cornerstone of our work, and our Early Intervention Scheme highlights our dedication to supporting learning; we are investing in the future, equipping young minds with the skills they need to build a bright road ahead.

Alexandra Butler



TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

The charitable objectives of The Hargreaves Foundation as stated in our constitution document are:

- A. To advance for the public benefit the physical and mental health and well-being of individuals living with disabilities of any description, in particular but not exclusively by providing grants, items and services to individuals in need, charities and/or organisations that provide or assist in the provision of:
 - i. information, advice, education and support designed to raise awareness and enable individuals living with disabilities to be self-sufficient;
 - ii. financial assistance for individuals living with disabilities;
 - iii. medical treatment, care and rehabilitation for individuals living with disabilities;
 - iv. equipment, mobility aids, prosthetics, facilities and services for individuals living with disabilities;
 - v. recreational, sporting and leisure time activities and facilities with a view to improving the conditions of life of such persons
- B. To advance in life and help people who have need by reason of their youth, infirmity, poverty or social and economic circumstances with a view to improving the conditions of life of such persons in particular but not exclusively by providing grants, items and services to individuals in need, charities and other organisations that provide advice, assistance and organise programmes of physical, educational and other activities as a means of:
 - i. helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals;
 - ii. advancing education;
 - iii. relieving unemployment; and
 - iv. providing recreational, sporting and leisure time activities and facilities in the interests of social welfare and cohesion.

The main activities undertaken to further the charity's purposes for the public benefit are grant making. Details of grants awarded are included in the achievements and performance section of this report.

The Trustees have had regard to The Charity Commission's guidance on public benefit.

ACHIEVEMENTS & PERFORMANCE

OVERVIEW

GRANTS APPROVED DURING THE YEAR £1,326,924

HOW DO WE DECIDE?



We consider our application process to be light touch, whilst still providing detail. We only accept applications online meaning everyone must follow the same process and we have invested in technology to make managing applications as seamless as possible.

Our initial screening includes a full review of the application against our criteria, website review, Charity Commission check (if appropriate) and a check for news stories.

The Trustees have access to all the application data and make their final selections. They are looking for projects or initiatives that have the potential to inspire and make a significant impact on a young person's life.

If an application is shortlisted we request that a brief video is prepared by the organisation to showcase their project.

The closing stage is normally a meeting with the Trustees which is currently being carried out remotely.

A final decision is communicated with the recipient after this.

HOW HAVE WE MET OUR OBJECTIVES?

We have five objectives which underpin our mission *"transforming young lives through sport and education"*. Our application form asks organisations to confirm which of our objectives their project supports and we then go on to assess which initiatives will make the biggest impact. We try to ensure that we fund a range of projects meeting as many of our objectives as possible. Often a project will meet more than one objective.

AN EXAMPLE OF SOME OF THE PROJECTS FUNDED AND THE OBJECTIVES MET:

The Trustees are pleased to confirm funding for Access Sport to enable up to 225 individuals in Bristol to benefit from cycling equipment, training and facilities. Access Sport delivers an award-winning cycling inclusion programme with the backing of Sport England, British Cycling, the London Marathon Charitable Trust and Bristol City Council. To date, the charity has opened four cycling facilities in the most deprived communities in Bristol.

In addition, their schools outreach programme works with 60 schools and community groups across Bristol to engage the most physically inactive young people in school, those growing up in poverty, and ethnically diverse young people. In Bristol, 3 out of 4 people from ethnic minorities or those at risk of deprivation never cycle; and only 2% of all children cycle to school.

The funding will extend the programme to cover new sites and activities in Bristol. Notably, it will fund the purchase of additional bikes and helmets, extend the schools outreach work, and provide additional support to 50 young people to become regular members of their home club at Stockwood or Hartcliffe.

This significant donation from The Hargreaves Foundation shows the charity's commitment to transforming young lives through sport.

"Enables individuals to experience the mental and physical health benefits of participatory sport."



The Trustees of The Hargreaves Foundation are pleased to confirm funding has been awarded to Cerebra to support children with brain conditions to experience the mental and physical health benefits of water sports.

Cerebra is a charity dedicated to helping families who have a child with a brain condition to discover a better life together. 'Brain condition' includes any condition that affects the developing brain including Autism, ADHD, Down Syndrome, learning disabilities, Cerebral Palsy, Epilepsy and developmental delay. In the UK today there are over 500,000 children with such conditions.

The funding will ensure that four specialist surfboards can be built by the Cerebra Innovation Centre. A team of talented engineers and designers design and build innovative, bespoke products to help disabled children discover the world around them. The design of the surfboard includes a supportive seat for the child and plenty of space on the back for an experienced surfer to steer it in the right direction. This design results in these children enjoying new experiences that wouldn't otherwise be possible and allows them to enjoy the thrill of catching waves.

"Ensures participatory sport is accessible."



The Trustees are pleased to confirm that funding has been awarded to Chailey Heritage Foundation to purchase "Eye Gaze" equipment. Chailey Heritage Foundation is a pioneering charity which provides education, care and transition services for children and young people with complex physical disabilities and health needs.

Each year they support over 270 young people and their carers. Their provision includes a non-maintained special school for 2–19year-olds; residential and short stays provision; a life skills centre; therapeutic horse riding; a therapy farm; holiday clubs; fitness sessions in their adapted gym; cookery and art workshops; and support at home for the young people and their families. The specialist teachers and highly trained teaching assistants are dedicated to providing the very best education and opportunities for learners.

The School currently uses "Eye Gaze" equipment in the classrooms. This equipment enables pupils who do not have control of their hands, and often cannot communicate verbally, to operate a computer by eye movement alone to access a wide range of specialist educational and communicational software. The computer is fitted with an eye tracker; this follows eye movements so that the eyes effectively become a virtual computer mouse.

One of the limitations of the equipment is that it currently uses desktop computers and as such, it isn't portable. The funding will provide for mobile "Eye Gaze" equipment that the children will be able to use outside of the classrooms, for example in the school's therapeutic farm. This will allow the children to ask questions and indicate choices whilst out and about, promoting their independence and maximising learning opportunities.

"Provides sporting or educational activities that foster life skills."



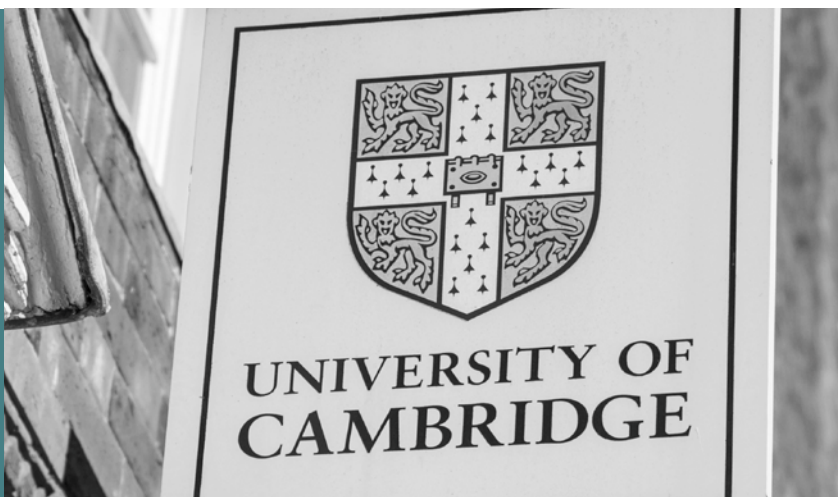
The Trustees are delighted to confirm that funding has been awarded to Tiverton Primary School to give the opportunity to 6 high achieving students to go on a trip to Cambridge University. In addition to the university visit, the students will get the opportunity to visit museums and tour around the area. The aim of the trip is to raise the ambition and aspirations of the students to enable them to realise what is possible for them in their own lives and to widen their horizons.

The trip will also inspire the students to push themselves academically and to improve their academic engagement and attainment.

The children going on this inspirational and exciting trip will not be the only beneficiaries; they will return to school afterwards and run an assembly to share what they have learned. This will highlight the idea of going to university to many students who would not otherwise have considered it.

Tiverton Primary School is located in Tottenham in London. Many of the students who attend the School are from deprived backgrounds and would be the first in their families to attend university. This trip will enable conversations to take place across year groups about the potential role of higher education in their lives.

"Aims to improve academic engagement and attainment."



The Trustees of the Hargreaves Foundation are pleased to announce funding for GASP Motor Project – a Surrey based charity supporting some of the hardest to reach, 'at risk' and disadvantaged young people in the country through engagement with motor mechanics and basic engineering. GASP aim to improve academic engagement and attainment and to give disenfranchised young people an improved sense of worth, supporting their progress towards training and employment. Engagement with motor mechanics and basic engineering has been proven to re-engage young people with learning, provide them with vocational opportunities and to reach their full potential.

Activities at GASP are hands on, encouraging the students to challenge themselves, increase their confidence and to work as a team with others to gain a positive sense of self. Each course is tailored to the individual's needs, targeting those otherwise at risk of social and educational exclusion, by utilising trained tutors, establishing trust, mutual respect and communication.

A predicted 80% of those attending will achieve at least 2 AQA certificates; qualifications that will see them through life and will broaden the opportunities available to them. Projects like GASP are important, now more than ever, as the pandemic has only exacerbated the challenges disadvantaged young people face.

"Encourages the development of skills and personal attributes to aid future employability."



THE HARGREAVES FOUNDATION EARLY INTERVENTION SCHEME

The premise of the EIS programme is the belief that the biggest difference we can make to the future health, wealth and happiness of disadvantaged children is to ensure they are literate when they leave primary school.

"To be literate is to gain a voice and to participate meaningfully and assertively in the decisions that affect one's life."

Y Kassam

- 80% of 16-24 year olds not in employment, education or training left school without 5 good GCSEs
- The single biggest factor predicting results at age 16 is the prior attainment of students whilst at primary school
- Fewer than 1 in 6 children from low income families not achieving the expected level by the age of 7 go on to get 5 good GCSEs

Social Mobility and Child Poverty Commission 2014

At the start of the project 134 disadvantaged children (67% of disadvantaged children) at Ashcombe Primary School were below the expected level for reading, 146 (72%) were below the expected level in writing.

These statistics would suggest c117 of these children are unlikely to get 5 good GCSE's significantly increasing the likelihood they will join the population of 16-24 year olds not in employment, education or training.

EIS PROGRAMME GOAL

By the end of the 2023/24 school year, 80% of disadvantaged children will leave Ashcombe Primary School in year 6 at the expected standard in both reading and writing and 40% will leave exceeding the expected standard.

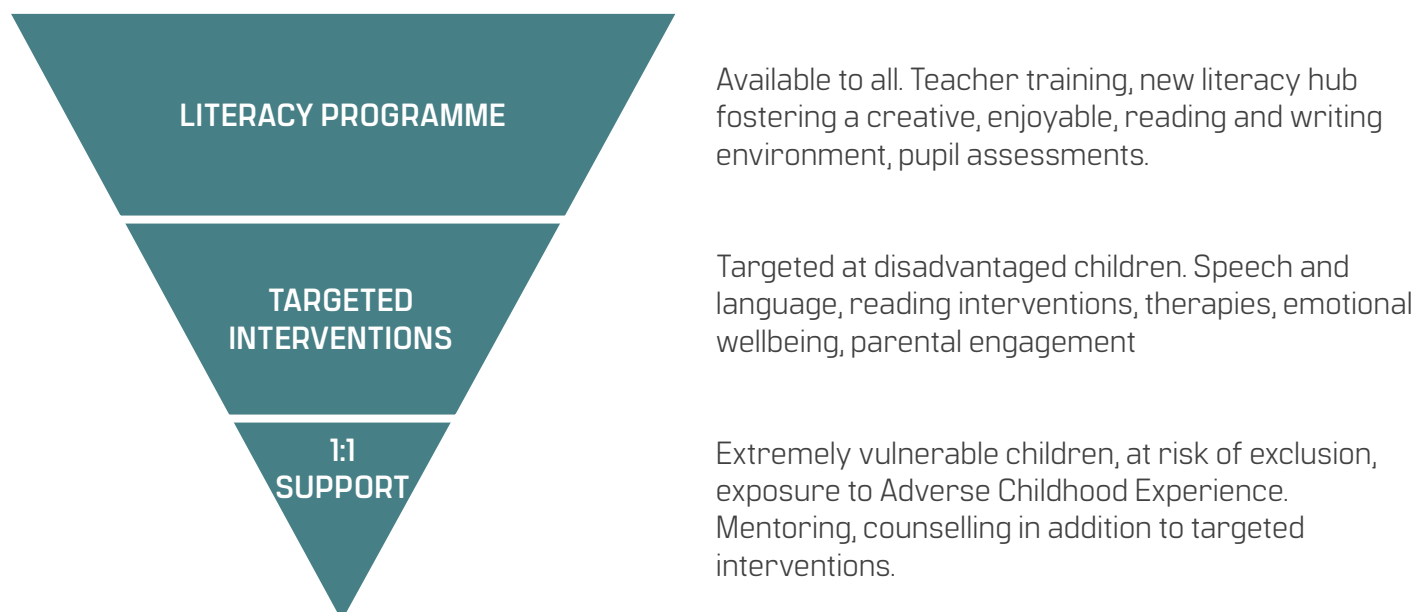
This will place the school in the top 5% nationally in terms of primary school performance for disadvantaged children, as measured by FFT, an independent school performance and research organisation.

The aim beyond 2023/24 is to maintain a top 5% position within FFT benchmarking.

To achieve this ambitious target we will support the school in the development and delivery of a world class literacy programme, building on the work that the school is already undertaking and utilising the latest research in learning behaviour and teaching methods.

We recognise that many disadvantaged children will experience additional barriers to accessing excellent teaching no matter how well designed or delivered.

We will ensure every disadvantaged child can access the literacy programme and remove those barriers through targeted interventions, therapies and where appropriate personalised 1:1 support.



Programme Overview

EDUCATE

1. Teacher Training
2. Speech & Language
3. Reading and writing intervention
4. Spelling intervention
5. Classroom books
6. Assessment

INSPIRE

An immersive literacy hub at the heart of the school for reading, creative writing and performance.

SUPPORT

Sensory room and therapy
 Art and play therapy
 Domestic violence counselling
 Emotional wellbeing support
 Mini police and primary futures
 Parental support to promote independence

Roll Out

Educate

EDUCATE

- Teacher Training
- Speech & Language
- Reading and writing intervention
- Spelling intervention
- Classroom books
- Assessment

Rolled out from September 2021 onwards – term 1, year 1

Support

- Mentoring
- DART
- Mini Police
- Primary Futures
- Seasons for Growth
- Drawing & Talking

Rolled out from September 2021 onwards – term 1, year 1

- Literacy Hub
- Literacy interventions
- Author visits

**Established
Summer
2022/2023**

- Sensory room
- Art & Play Therapy
- Parent engagement & family link

**On hold pending
plans for school
building
replacement**

Programme duration and review

The proposed duration of the EIS programme is 3 years.

This builds contingency into the goal and sufficient time for Ashcombe Primary School to assimilate new working practises and ensure ongoing success in achieving the goal set by the programme.

A performance review of each programme component will be undertaken annually and programme components amended as required to achieve the programme goal.

A full programme review will be undertaken in year 3 to determine the next stage of the EIS programme.

IMPACT ANALYSIS

PARTNERSHIPS – REED'S SCHOOL & EARLY INTERVENTION SCHEME

Reed's School

As part of The Hargreaves Foundation's commitment to improving academic engagement and attainment, the Trustees committed funding to cover the full cost of secondary education for a second child at Reed's School.

Part of an ongoing partnership with Reed's that started in September 2021 and now includes two pupils in fulltime education. Each school year The Hargreaves Foundation will support further children as they start their education at Reed's through to the completion of Year 13.

The Andrew Reed Foundation is dedicated to supporting at least 10% of the population of Reed's School as Foundation pupils on funded bursaries. These pupils have lost the support of one or both parents and their family life is in crisis with some having sadly been exposed to a range of social issues including bereavement, domestic abuse and abandonment. In these cases, the need for strong pastoral care is as important today as it was 200 years ago when the Foundation was founded as the London Orphan School.

We look forward to developing this important partnership.

Ashcombe Primary School

In September 2021 an ambitious 3 year programme was launched in partnership with Ashcombe Primary School in Weston-super-Mare.

The EIS - Educate, Inspire, Support – programme was developed to address the link between education attainment at primary school and the likelihood of being in employment, education or training post secondary school.

Developed in conjunction with the school, the EIS programme aims to significantly improve the reading and writing attainment levels of disadvantaged pupils that leave Ashcombe in Year 6 from the bottom 50% of schools in 2020/21 to top 5% by 2023/24.

In Year 1 the programme supported the school in the development and delivery of world class classroom teaching. This was embedded through both the provision of new teaching resources and training and development provided by one of the leading practitioners in teaching children to read and write.

To address the additional barriers to learning experienced by disadvantaged children at Ashcombe, targeted interventions, therapies and 1:1 support, such as mentoring, were also rolled out in Year 1.

The target for Year 6 reading attainment was achieved in the first year of the programme and writing results also achieved significant improvement.

Year 2 of the programme will continue to build on the achievements of the first year with additional focus on writing.

Year 2 will also see the installation of a new literacy hub at Ashcombe. The woodland themed learning space, incorporating a stage, library and additional small group teaching space, will provide a creatively stimulating environment to foster children's interest and love for storytelling and books.

FUNDING ANALYSIS BY UK REGION



FUNDING ANALYSIS BY SUPPORT



EQUIPMENT
5 GRANTS



EDUCATION
9 GRANTS



SPORTS
26 GRANTS



THERAPY
2 GRANTS



SEND SUPPORT

Of the 42 grants, 20 were providing SEND support.
Funding for organisations providing SEND support was £273k

ANALYSIS BY FOUNDATION OBJECTIVES

FOUNDATION OBJECTIVE	GRANTS AWARDED
Aims to "improve" academic engagement and attainment	6
Enables individuals to experience the mental and physical health benefits of participatory sport	12
Encourages the development of skills and personal attributes to aid future employability	5
Ensures participatory sport is accessible	8
Provides sporting or educational activities that foster life skills	11

IMPACT ASSESSMENTS

The terms and conditions of a grant award include the grant recipient agreeing to participate in an impact assessment.

The impact assessment process has been developed to better understand the impact that the grants are having and to support the decision-making process when assessing future grant applications.

Shortly after the awarding of the grant, the Foundation work with the recipient to clearly define what the grant will be spent on, the objectives of the grant and the outcomes and measures that will be used to determine the extent to which the grant objectives have been met.

At an agreed future date, determined by the nature of the grant and using the outcomes and measures defined above, the grant recipient completes a report detailing the results achieved, including details of the number of children supported.

The Foundation's impact assessor, independent of the funding panel, will review the submission and may request further details or evidence of impact before grading the impact of the grant and providing a report.

The completed impact reports are not only used to steer future decisions around grant making, but also should the Applicant choose to re-apply for repeat funding.

YEAR GRANT AWARDED	COMPLETED ASSESSMENTS	CHILDREN SUPPORTED
2020	8	540
2021	26	2403
2022	1	10

Impact Assessments are typically completed 12 months after the award of a grant.

Impact Assessment Case Studies

Cerebra were awarded a grant of c£8k to supply 4 adapted surfboards for children with limited mobility and brain conditions. Over 120 children used the boards through the summer of 2022 and the impact assessment provided some of the most powerful testimony on the impact a grant can make to families.

"I can honestly say from the point of view of a parent with a child with multiple and complex needs and 2 other able bodied siblings this was one of the most magical moments I have ever experienced with all my children. Watching them all engage with the same activity along side each other on a level playing field was just totally wonderful."

"While watching this beautiful moment where my son who has Down Syndrome and his older sister fully and inclusively experience pure JOY surfing together made me smile and my heart burst."

The Change Foundation were awarded a grant of £117k to launch a 'Netball 4 Change' programme in Bristol.

The grant is supporting the programme for 3 years and aims to use netball to engage with 300 girls and young women aged 10-18 and teach them how to stay safe online and engage with social media in a way that does not compromise their mental health, confidence and self-esteem.

Despite the impact of COVID restrictions 170 girls had taken part in the 10 week programme in both primary and secondary schools across Bristol by September 2022 and the team are on track to achieve its targets in the final year of funding support.

Feedback from the girls participating has been very positive as the following examples illustrate;

"This has taught me how to be safe on social media and has also let us have fun."

"I have loved netball for change. It has taught me to be careful online and to not compare myself with others."

"I think its something every young person should experience."

FINANCIAL REVIEW

Income from investments in the year amounted to £378k (2022: £2,424k). Expenditure on investment manager fees was £170,000 (2022: £nil), expenditure on charitable activities was £1,507k (2022: £1,050k) including grants and donations of £1,327k (2022: £923k), resulting in net (expenditure)/income before investment gains and losses of £(1,299)k (2022: £1,374k).

After net realised/unrealised gains/(losses) on investments of £305k (2022: £(17,939)k) funds decreased by £993k (2022: decreased by £16,565k) resulting in unrestricted funds at the year end of £66,349k (2022: £67,343k).

RESERVES POLICY

The Trustees will endeavour to ensure that suitable cash balances are maintained at all times to ensure the smooth operation of the Foundation and appropriate liquidity at all times.

Alexandra Butler will maintain a close watching eye on the running balance in the Lloyds account at all times and can request a transfer of additional cash balances.

INVESTMENTS POLICY

In 2022, the Trustees of the Hargreaves Foundation conducted an extensive review of potential investment firms to work with and concluded that our interests would be best served by appointing Pictet & Cie (Europe) SA (Pictet) to manage our long-term capital balances on a discretionary basis.

The Trustees believe that appointing Pictet as our external manager should ensure continual professional management of the sums invested which should, in turn, give the best opportunity for the capital to grow and finance the Foundation well into the future.

Investment Objectives

The objectives for the money committed to Pictet as our discretionary investment manager will be as follows:

1. Preserve, and if possible, through capital growth, enhance the value of the invested funds so they enhance their value in real terms against the RPI inflation rate over any five-year period.
2. Generate a reliable income yield to supply the Hargreaves Foundation with regular income for the Foundation to use to cover its' costs and charitable giving.
3. Maintain a sensible spread of risk by investing across different geographic areas and underlying investments.

Risk Profile and Asset Allocation

The Trustees of the Hargreaves Foundation have decided to accept a 'medium-high' risk position for our long-term capital investments. The Trustees were mindful of the following points when making this decision:

1. The Foundation has a large surplus capital balance beyond our projected short-term spending that we don't anticipate using for many years into the future. We have no anticipated need to raise additional funds through fundraising in the future. We can therefore take a long-term approach to our investments and we can tolerate short term volatility and short-term falls in the value of the sums we are investing in exchange for the greater potential that equity type investments offer.

2. The Chairman of the Trustees has extensive investment experience having founded Hargreaves Lansdown Plc and grown it to become a FTSE100 company. The Trustees are well versed in taking a long term approach and are well placed to monitor the investment portfolio on an ongoing basis.
3. Pictet have shown that although their model portfolios can be volatile in the short term, over the longer term that volatility has produced potential for superior investment returns.
4. The capital provided to launch the Foundation was given on the condition that it was maintained in a single stock (Hargreaves Lansdown Plc) for a period of two years. This represented an initial 'high risk' strategy. We feel it is now right to take forward the principle of equity investment but in a more diversified portfolio to achieve a greater spread of risk across both different asset classes and across different underlying investments. We have therefore decided to move to a less volatile position by adopting a 'medium-high' risk approach across multiple diverse assets and asset classes.

Restrictions set by the Trustees

- No initial investment may exceed 5% of the total funds under management at the strike date, excluding government-issued securities with a rating equal to or above AA.
- No holding shall exceed 7.5% of the total value of the fund at any time, excluding collective investments and government-issued securities with a rating equal to or above AA.
- Hedge funds are permitted, but direct investment in derivatives are not permitted (other than those that may be used for hedging purposes, such as FX forwards/swaps).

Performance reviews

The performance of the Investment Manager will be formally reviewed by the Trustees annually, paying specific attention to:

- Performance
- Relationship
- Reporting

Environmental, Social and Governance investing (ESG)

The Hargreaves Foundation is mindful of the benefits of investing in environmentally or socially beneficial projects (ESG investing) and welcomes investment into these areas. However, we do not believe it would be appropriate at this stage to set specific criteria or limits on ESG considerations as these can be highly subjective and could prohibitively impact on investment performance. The Trustees will keep ESG considerations under review on an ongoing basis.

Pictet will avoid investing in companies which have material concentrated interests in tobacco, gambling, pornography and controversial weapons.

Benchmarking & Performance

For broad reference purposes, the Trustees may periodically consider the performance of the portfolio invested with Pictet with reference to a simple composite reference benchmark, comprised of two broad indices:

1. MSCI World index (in GBP, unhedged)
2. Barclays Global Aggregate Corporate index (total return, GBP hedged)

Over the first 5 years the reference benchmark will reflect the gradual buildup of the private equity allocation, such that the following reference benchmark will apply:

- Year 1: 50% MSCI World index and 50% Barclays Global Aggregate Corporate index
- Year 2: 55% MSCI World index and 45% Barclays Global Aggregate Corporate index
- Year 3: 60% MSCI World index and 40% Barclays Global Aggregate Corporate index
- Year 4: 65% MSCI World index and 35% Barclays Global Aggregate Corporate index
- Year 5 and thereafter: 70% MSCI World index and 30% Barclays Global Aggregate Corporate index

Whilst a reference benchmark may be applied to the Portfolio for reference purposes, the Trustees note that Pictet is under no obligation to comply with any conventional management style, nor to be constrained by this (or indeed any other) benchmark.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document:	The Foundation is a Charitable Incorporated Organisation (CIO) with a written constitution dated 10 January 2020.
Appointment of Trustees:	The trustee body has the power to appoint new trustees. If new or additional trustees are appointed they will be encouraged to receive appropriate training depending on their qualifications and experience.
Investment Powers:	The CIO has power to do anything which is calculated to further its object or is conducive or incidental to doing so.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of Charity: The Hargreaves Foundation
Charity No. 1187297

Trustees: Nigel James Bence
Peter Kendal Hargreaves
Louisa Rose Hargreaves
Robert Kendal Hargreaves
Rosemary Jane Hargreaves

Principal Office Address: The Old Surgery
Swan Barton
Sherston
Malmesbury
Wiltshire
SN16 0LJ

Bankers Lloyds Bank Plc

Investment Managers: Pictet & Cie (Europe) S.A.,
London Branch
5 Stratton Street
London
W1J 8L

Auditors: PKF Francis Clark
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees are responsible for preparing the Trustees' Annual Report and 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 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 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 operation.

The trustees are responsible for keeping 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. 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.

Signed:

Date: 29/11/2023

Peter Hargreaves

On behalf of the Trustees

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE HARGREAVES FOUNDATION FOR THE YEAR ENDED 31 JANUARY 2023

OPINION

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 January 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under S144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereafter. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charity. The key laws and regulations relevant to the Charity were identified as being Charity law and the General Data Protection Regulation.

We also considered opportunities and incentives for fraud, which might arise in the understatement of expenditure, or incurring expenditure for non-charitable purposes, in the payment of fraudulent grants or management bias in accounting estimates.

Based on this we designed our audit procedures to identify irregularities. Our audit procedures involved the following:

- Enquiries with Trustees, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of trustees' meeting minutes;
- Review of the controls in relation to GDPR and enquiries to Management as to the occurrence and outcome of any reportable breaches;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business; and
- Review financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements.

This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission, or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Account and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark
Statutory Auditor
Centenary House
Peninsula Park
Rydon Lane
EXETER
EX2 7XE

Date: 29/11/2023

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JANUARY 2023

	Note	Unrestricted Funds	2023 Total £	Unrestricted Funds £	2022 Total £
Income and endowments					
Investments	3	378,066	378,066	2,424,000	2,424,000
Total income		<u>378,066</u>	<u>378,066</u>	<u>2,424,000</u>	<u>2,424,000</u>
Expenditure on:					
Investment managers fees		169,939	169,939	-	-
Charitable activities	4	1,507,107	1,507,107	1,050,031	1,050,031
Total expenditure		<u>1,677,046</u>	<u>1,677,046</u>	<u>1,050,031</u>	<u>1,050,031</u>
Net income/(expenditure) before net gains/(losses) on investments					
		(1,298,980)	(1,298,980)	1,373,969	1,373,969
Net gains/(losses) on Investments		<u>305,540</u>	<u>305,540</u>	<u>(17,938,720)</u>	<u>(17,938,720)</u>
Net income/(expenditure)		<u>(993,440)</u>	<u>(993,440)</u>	<u>(16,564,751)</u>	<u>(16,564,751)</u>
Net movement in funds		<u>(993,440)</u>	<u>(993,440)</u>	<u>(16,564,751)</u>	<u>(16,564,751)</u>
Reconciliation of funds					
Total funds brought forward		<u>67,342,655</u>	<u>67,342,655</u>	<u>83,907,406</u>	<u>83,907,406</u>
Total funds carried forward		<u><u>66,349,215</u></u>	<u><u>66,349,215</u></u>	<u><u>67,342,655</u></u>	<u><u>67,342,655</u></u>

BALANCE SHEET

AS AT 31 JANUARY 2023

		2023 Total	2022 Total
	Note	£	£
Fixed assets			
Investments at market value	2	66,473,362	24,501,599
Current assets			
Investment bank account		743,845	43,251,934
Cash at Bank		73,478	47,912
Debtors		5,003	6,593
		<u>822,326</u>	<u>43,306,439</u>
Current liabilities			
Creditors: amounts falling due within one year	5		
Creditors - Grants awarded		550,830	240,570
Other creditors and accruals		18,622	12,705
		<u>569,452</u>	<u>253,275</u>
Net current assets		<u>252,874</u>	<u>43,053,164</u>
Creditors: amounts falling due after more than one year	6	377,021	212,108
Net assets		<u>66,349,215</u>	<u>67,342,655</u>
Allocation of the charity net assets:			
The net assets are held for the various funds as follows:-			
Unrestricted income funds		66,349,215	67,342,655
Total charity funds		<u>66,349,215</u>	<u>67,342,655</u>

Approved by the trustees on 29/11/2023 and signed on their behalf by

..... Trustee

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

		2023 Total	2022 Total
	Note	£	£
Net cash used in operating activities	10	(1,194,366)	(766,511)
Cash flow from investing activities:			
Dividends and interest from investments		378,066	2,424,000
Cash used to purchase investments		(121,779,310)	-
Proceeds from sale of investments		80,113,087	39,555,681
Net cash provided by investing activities		(41,288,157)	41,979,681
Change in cash and cash equivalents in the reporting period		(42,482,523)	41,213,170
Cash and cash equivalents brought forward		43,299,846	2,086,676
Cash and cash equivalents carried forward		817,323	43,299,846
Representing:			
Investment managers' bank accounts		743,845	43,251,934
Cash at bank		73,478	47,912
		817,323	43,299,846

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

A. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (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. There are no material departures from FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair view'. The departure has involved following Accounting and Reporting applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

The Charity meets the definition of a public benefit entity under FRS102.

The financial statements have been prepared on a going concern basis and the Trustees are not aware of any material uncertainties that would cast doubt on the Charity's ability to continue as a going concern.

The accounts are prepared in Sterling, which is the functional currency. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention as modified by the revaluation of investments.

B. FUND ACCOUNTING

Unrestricted Income Fund - The Unrestricted Income Fund comprises those Funds which the Trustees are free to use in accordance with the charitable objects.

C. INCOME

Dividend and other similar investment income is shown gross and recognised on an accruals basis.

D. INVESTMENTS

Investments, where listed on a recognised stock exchange, are included in the accounts at their market value at the balance sheet date. Other investments include private equity investments which are included at cost and forward contracts which are valued at the forward rate applicable at the future date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

E. GRANTS PAYABLE

Grants are included in the accounts on an accruals basis, and unconditional grant commitments payable within one year after the balance sheet date are included in the Statement of Financial Activities.

F. RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the Charity as opposed to those costs associated with fundraising or charitable activity. The costs will normally include internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts. Included within this category are any costs associated with the strategic as opposed to day to day management of the charity's activities.

G. REALISED GAINS AND LOSSES

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

H. EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes costs of grants awarded during the year

I. DEBTORS

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid after taking account of any discounts offered.

J. CASH AND CASH EQUIVALENTS

Cash and cash equivalents 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.

K. CREDITORS AND PROVISIONS

Creditors and provisions are recognised when 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 recognized at their settlement amount after allowing for any discounts due.

2. FIXED ASSET INVESTMENTS

	2023 £	2022 £
Opening market value	24,501,599	81,996,000
Additions	121,779,310	-
Disposal proceeds	(80,113,087)	(39,555,681)
Net gain/ (loss) on revaluation	305,540	(17,938,720)
Closing Market value	<u>66,473,362</u>	<u>24,501,599</u>
Summary of investments held:	£	£
Fixed income	19,686,160	-
Equities	32,668,190	24,501,599
Cash (short term deposits and forwards)	10,233,830	-
Alternative investments	3,885,182	-
	<u>66,473,362</u>	<u>24,501,599</u>

3. INVESTMENT INCOME

	2023 £	2022 £
Dividends	161,055	2,424,000
Interest	217,011	-
	<u>378,066</u>	<u>2,424,000</u>

4. CHARITABLE ACTIVITIES

	2023 £	2022 £
Grants approved	1,326,924	923,337
Support and Governance costs (below)	180,183	126,694
	1,507,107	1,050,031
Support costs		
Legal charges	8,678	-
Consultancy fees	3,590	18,380
Subscriptions	35	305
Wages and salaries	123,333	80,833
Staff NIC (employers)	15,566	9,936
Staff pensions (Defined contribution)	3,609	2,425
Rent and rates	3,120	3,120
Telephone and internet	686	-
Insurance	1,294	1,294
IT cost	9,865	2,950
Sundry expenses	933	251
Publishing	1,554	-
Governance costs - Auditors remuneration	7,920	7,200
	180,183	126,694

The charity employed two members of staff during the period (in 2022 x 1 employee). The number of employees with total benefits (excluding employer pension costs) exceeding £60,000 was:

	2023 No.	2022 No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Key management personnel comprise the two members of staff and total remuneration is shown above.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Grants approved	550,830	240,570
Other creditors	-	99
Pension	2,997	2,556
PAYE & NI	9,633	1,450
Accruals	5,992	8,600
	569,452	253,275

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Grants approved	377,021	212,108
	377,021	212,108

7. RELATED PARTIES

There have been no related party transactions in the year requiring disclosure.

8. TRUSTEES REMUNERATION AND EXPENSES

During the year trustees have not received remuneration and were not reimbursed for any expenses.

9. GRANT COMMITMENTS

As at 31 January 2023 future grant commitments were £927,851 (2022: £452,678).

10. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	(993,440)	(16,564,751)
Deduct investment income	(378,066)	(2,424,000)
Deduct gains/add back losses on investments	(305,540)	17,938,720
(Increase)/decrease in debtors	1,590	(6,593)
(Decrease)/Increase in creditors	481,090	290,113
	(1,194,366)	(766,511)

11. GRANTS MADE

During the year the trustees made institutional grants totalling £1,326,924. There are no support costs attributed to grants made. Governance costs comprise all costs incurred by the charity and no apportionment is made between grant making activities and running of the charity. The Trustees made the following institutional grants during the year:

	2023	2022
	£	£
Grant commitments brought forward	(452,678)	(165,764)
Grants paid in the year	851,751	623,718
Grant commitments carried forward:		
Due within one year	550,830	253,275
Due after one year	377,021	212,108
Total grants approved	<u>1,326,924</u>	<u>923,337</u>

The analysis of grants approved in the year is below:

	2023	2022
	£	£
Ability Consultancy	-	5,220
Access Sport	-	22,500
Action for Kids	25,000	30,715
Alder Hey Children's Charity	-	103,000
Ashcombe project	224,174	148,826
Auditory Verbal UK	25,000	-
Bidwell Brook School	-	9,860
Birtenshaw	46,400	-
Bloomsbury Football Foundation	16,200	-
Boxing Clever	18,000	-
Brent Centre	17,360	17,971
Bristol Down Syndrome Trust	15,560	25,500
Bryntail Cottage	-	12,000
Cerebra	-	7,760
Chailey Heritage Foundation	-	29,946
Challney High School for Girls	13,371	-
Cleethorpes Community & Education	-	10,000
Connie Rothman Learning Trust	-	10,000
CP Sport	10,000	-
Diverse Abilities	-	21,500
Down Syndrome Cheshire	9,999	-
Dreams Come True	-	13,400
East Fife Community Football Club	8,000	-
Estudiantes	-	8,500
GASP Motor Project	11,459	-
Greater Manchester Youth Network	29,040	-

Greenhouse Sports	31,242	-
Growing Resilience in Teens (GRIT)	20,000	-
Gympanzees	20,000	9,015
Herons Dale Primary School	-	10,000
Horizons (Plymouth)	9,129	-
KEEN London	27,759	-
Kendleshire Kids Foundation	-	20,000
Level Water	-	29,028
Mountfield School	-	6,670
Normandy Community Therapy Garden	-	20,000
Northside Youth and Community Connections	42,000	-
Opportunity Sports Foundation	27,000	-
Out Of Class	10,000	10,000
Real Action	-	10,000
Reed's School	155,765	180,694
Rett UK	-	6,722
Ride2Success	9,930	-
Salmon Youth Centre	50,000	-
Sirona Therapeutic Horsemanship	8,909	-
Strength & Learning Through Horses	10,000	-
Tall Ships	311,438	-
The Andrew Simpson Foundation	9,720	-
The British Racing School	24,728	-
The Chronicle Sunshine Fund	5,307	-
The Dales School	30,000	-
The Horse Rangers	-	16,250
The Literacy Pirates	-	90,000
The Polar Academy	20,000	-
Wallace & Gromit's Children's Foundation (The Grand Appeal)	6,310	-
Wolverhampton Wanderers Foundation	15,000	-
Youth Action Alliance	-	24,119
Individual grants < £5k	13,124	14,141
	1,326,924	923,337