

Company Registration No: 08794474

Charity Registration No: 1156082

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

CHAIRMAN'S STATEMENT

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

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

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

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

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

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

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

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

Henry Holland-Hibbert
Chairman

Hertfordshire Community Foundation

INTRODUCTION

The trustees present their report and accounts for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (SORP FRS 102) – effective 1 January 2019.

ADMINISTRATIVE DETAILS

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

President

The Lord Lieutenant of Hertfordshire

Ambassadors

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

Trustees

Henry Holland-Hibbert	Chair of Trustees, Audit and Communications & Development Committees
Anna Bates	Grants Committee
Sally Burton DL	Grants Committee (Chair)
Jill Burridge	Research and Impact Committee (Chair) and Communications & Development Committees
Cllr Terry Douris	Audit committee
Suzy Harvey DL	Grants, Research and Impact and Staffing Committees
Will Hobhouse	Communications and Development Committee (Chair)
Gus Machado	Governance and Research & Impact Committees
John Saner	Governance Committee (Chair)
Simon Tilley	Audit Committee (Chair)
Maggie Turner OBE	Grants and Research & Impact Committees (resigned 20/10/2020)
Suzanne Westlake	Grants Committee
James Williams MBE	Staffing (Chair), Grants and Governance Committees

Staff

Helen Gray	Foundation Director
Georgina Bawden	Grants Manager
Simone Deans	Office Manager (from May 20)
Susan Dolton	Grants Manager (from Feb - Dec 20)
Helen Doubal	Head of Grants
Nicky Fawcett	Grants Manager – HAPpy programme (from May 21)
Louise Marron	Project Manager (HCF Training & Development)
Danielle Hood	Marketing Officer
Linn Moyster	Bookkeeper/Finance Manager (Sept 20 – Feb 21/from Feb 21)
Maureen Palmer	Grants Administrator
Ana Siewniak	Project Coordinator (HCF Training & Development)
Nicola Stokes	Grants Manager
Jack Tang	Training & Development kickstart apprentice (from Apr 21)
Susan Waite	Finance Manager (to Feb 21)

OBJECTIVES AND ACTIVITIES

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

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

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

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

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

Responding to the pandemic

Over the past year, HCF focussed its grant making on emergency relief to provide vital support to groups and organisations providing front line services to those most adversely impacted by the pandemic. In addition, HCF Training & Development adapted its provision by revising courses offered and by taking all learning online. In the two months that followed lockdown 1, HCF Training & Development trained more than 1,000 local volunteers who had stepped forward in response to the pandemic, HCF launched an emergency appeal and an emergency response grants programme was opened. Additionally, HCF committed to responding to grant requests on a rolling basis to ensure funds were distributed quickly reflecting the impact of the pandemic on the county.

Vision and Mission

Following a strategic review in February 2021, HCF's Vision and Mission statements were confirmed as following:

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

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

This will be achieved by:

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

Public benefit

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

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

Social Investment

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

Volunteers

HCF's activities, in particular in the areas of administration and grant support, are enhanced by the help of a small team of dedicated volunteers for which we are hugely grateful. During the various lockdowns HCF was not able to draw on the support of its volunteers as extensively as it had during previous years but key pieces of work were supported and only delivered with thank to volunteers.

Grant making policy

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

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

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

ACHIEVEMENTS AND PERFORMANCE

The Trustees are pleased to report on behalf of its donors and funders that HCF awarded 567 grants with a combined value of £2,237,497, the third consecutive year in which grants in excess of £1m have been awarded. The significant growth in grant making was only made possible thanks to the support of the National Emergencies Trust, Hertfordshire County Council, The Police and Crime Commissioner and other major funders who supported the local emergency response.

In total HCF has awarded in excess of £16m in grant aid since it was founded in 1988.

In addition to its grant making activity, HCF manages over 100 endowment funds on behalf of its donors. HCF's endowment fund reserve stands at £13,012,316 as of March 2021. This represents a £2,438,914 increase on the year end position at 31 March 2020 reflecting a bounce back in market investments. Two new endowment funds were established during the year and additionally several existing fundholders grew their funds further.

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HCF also continues to support other groups directly with affordable rented office space and an accessible meeting room at Foundation House. Modest rental reductions were offered to two charity tenants in recognition of the challenging times they both faced.

Grant making

HCF distributed a total of 567 grants to groups and individuals totalling £2,237,497 (2020: 374 grants totalling £1,015,736) reaching in excess of 85,000 beneficiaries. These figures exclude HCF Training & Development grants which are detailed in the HCF Training & Development section below.

420 grants were made to 276 local groups and organisations. Grants awarded include:

- £996,000 from the National Emergencies Trust and DCMS emergency relief funding making 205 grants averaging £4,860 per grant.
- £489,520 from the HCC Clinically Extremely Vulnerable fund to 57 groups with an average grant of £8,588
- £293,407 from HCF's named endowment funds making 66 grants with an average grant of £4,445
- £116,263 from the Department for Education funded, Hertfordshire County Council (HCC) Holiday Activities Fund to 33 groups with an average grant of £3,523
- £85,870 from the HCC Covid-19 Winter grants fund to 17 groups with an average grant of £5,051
- £30,199 from the PCC Action Fund for Hertfordshire, supporting 8 groups with an average grant of £3,775
- £20,489 awarded to 1 group by a major donor
- £10,143 from the #iwill Fund including match funding supporting 2 groups with an average grant of £5,072

146 grants were made to Individuals to a total value of £29,953 including:

- £29,153 through Hertfordshire Children's Fund grants programme supporting 144 families with an average grant of £200
- £800 to individuals from the St Albans Care Leavers' Fund

HCF Training & Development:

- Provided training to 307 attendees across 27 courses in 2020/21 as part of the VCS Training Programme.
- In partnership with #TeamHerts Volunteering and the local CVS network, trained 1,028 people in 'volunteering with vulnerable adults in response to Covid-19'
- Trained 170 attendees through the new Better Board online programme
- Supported 22 CEOs and 14 Chairs through new action learning sets
- Provided tailored in-house governance training to 7 organisations
- Delivered 1:1 advice and guidance to 22 organisations through HCF's team of advisors
- Awarded £37,396 in workforce development grants to 30 organisations
- Welcomed 165 attendees to the online 2020 Trustee Training conference
- 8 organisations completed the adapted Building Effectiveness programme, successfully completing a 9 month, online improvement programme supported by HCF's advisors and volunteer business mentors, supported by a consortium of HCF fund holders.
- Worked in partnership with Herts Growth Hub to deliver two series of webinars to support 'mental health and wellbeing' in the workplace and to support local social enterprises.

FINANCIAL REVIEW

Financial position

The Foundation's endowment funds reserve totalled £13,012,316 representing an increase of £2,438,914 over the previous year as investments bounced back following the significant fall in March 2020 as the impact of Covid-19 hit investment markets.

This year's accounts show a significant and unusually large surplus of £126,798 (2020: £29,539). This reflects a significant increase in pass through grant making programmes which came on stream in response to the pandemic. It also demonstrates continued robust and careful financial management. Due to the size of the surplus, the majority of this will be invested back into HCF's endowment funds to help increase HCF's grant making capacity going forward.

Income for grant making increased significantly during the year with £2,237,497 being distributed in grant aid including grants for training and development. This increase was due to a number of major emergency pass through funds, notably from the National Emergencies Trust, DCMS, Police and Crime Commissioner and Hertfordshire County Council.

- The total balance of funds at 31 March 2021 was £13,964,226 (2020: £11,080,584).
- Endowment funds totalled £13,012,316 at 31 March 2021 (2020: 10,573,402). Of these funds, £607,619 (2020: £607,619) represents social investment (the Nigel Copping Community Building) that could only be realised by disposing of the assets.
- Restricted funds totalled £948,551 at 31 March 2021 (2020: £498,876), the increase representing new, fixed term donations that can only be used in accordance with donors' wishes.
- The balance of unrestricted funds at 31 March 2021 was £3,359 (2020: £8,306).
- HCF's income, including new income from fund development, totalled £3,404,756 (2020: £2,057,503). This represents an increase of 65.5%.

Operations and governance

HCF's charitable activity, taken as a percentage of overall activity, was 95.7% (90.5 % last year). Governance costs, as a percentage of overall costs, were 1.4% (2.8% last year). The cost of generating income, as a percentage of total income, was 10%. Trustees will continue to keep such statistics under review to ensure HCF manages its operations effectively.

Investment policy and performance

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

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

The Board of Trustees meets with the Fund Managers twice yearly, with other contact between meetings as required. Total return for the year was 23.1% which compares to the market benchmark of 22.9%, and the peer group (ARC, Charity Steady Growth Index) of 23.5%. The Trustees look for a mix of income return and longer-term capital growth, with an overall return in line with the market average for charities, measured against a leading benchmark.

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

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

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

Risk management

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

The Trustees have identified the possible financial risks as:

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

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

In addition to reflect the ongoing impact of Covid-19 the risk register was reviewed in May 21 (and at all Board and Governance Committee meetings) to ensure any new risks were identified and mitigated against. It was agreed by the Board of Trustees that all such risks including a significant fall in the value of HCF's investments and endowment fund had been identified. The risk register will continue to be updated as and when the impact of the pandemic changes or evolves.

Reserves policy

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

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

This policy has been reviewed in light of Covid-19 and it has been agreed that it is still valid.

PLANS FOR THE FUTURE

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

Strategic objectives

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

At 31 March 2021, the Foundation had twelve Trustees. The Trustees meet quarterly. Between these main Trustee meetings, business is conducted through the following committees:

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

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

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

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

At 31 March 2021, there were 10 part time members of staff. The Foundation is also assisted by a group of dedicated volunteers.

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

IMPACT OF COVID-19

In accordance with the latest Charities SORP advice the impact of Covid-19 has been monitored closely by both the staff and Trustees. In addition to risks already identified in HCF's risk register it is anticipated that HCF will be impacted in the following ways:

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Fundraising and event income

As social distancing measures ease HCF has plans in place to resume limited, small scale, face to face events including an Ambassador gathering in November 2021. A major fundraising dinner scheduled to take place in 2020 at Warner Brothers has been rescheduled to take place in May 22 when it is anticipated all social distancing measures will have been lifted. However, HCF will not commit to any major fundraising events in the year 2021/22 as it is acknowledged that there is still a risk associated with large gatherings.

Rental income

As anticipated two charitable tenants negotiated rental reductions in the year 2020/21. Similarly it is anticipated that some rental negotiations may take place in 2021/22 and this potential loss of income has been reflected in the 2021/22 budget. Similarly, since lock down 1 HCF has been unable to generate significant income from its board room which it previously rented regularly for external meetings. It is unlikely that HCF will generate significant income from letting the board room in 2021/22 due to social distancing restrictions and the move to online meetings and training. This reduction in income is also reflected in the 2021/22 budget.

Emergency relief fundraising

It is not anticipated that HCF will have to resume emergency relief grant making in 2021/22. However, in the event that a further major lockdown comes into force, HCF has in place a memorandum of understanding with the National Emergencies Trust and it is anticipated that further funding would be forthcoming. Additionally, HCF would once again launch a local appeal and an associated grants programme.

Endowment fund grant making

Following an uplift in investment performance in March 2021 the Board approved a grants budget based on a distribution of 4% of the value of HCF's endowed funds. This compares to a cautious distribution of 2% in the previous two financial year. This uplift in endowed grant funding is hugely welcome as demand for grant funding remains extremely high.

Community Opportunities Grants

At the start of 2020 HCF entered into a memorandum of understanding with Hertfordshire County Council to deliver a new community opportunities grants programme which was due to begin in March 2020. Following lockdown HCC understandably withdrew the scheme with a view to launching it in the future when lunch and community clubs for the elderly could reopen safely. This programme is now anticipated to begin in 2021 in line with the anticipated easing of lockdown. Half of the levy received to deliver this programme was ringfenced and should additional resource be required to deliver this programme, funding is in place to cover this.

Fundholders

HCF's 100+ fundholders are the bedrock of the organisation and together their funds generate grant making income and additionally through the quarterly levy applied to each fund, they make an invaluable contribution towards HCF's operating costs. It is this financial model that will support HCF in the months ahead ensuring HCF maintains a sound financial position despite a reduction in other income lines. While priority was given to distributing NET and DCMS funding in 2020/21 our attention will turn once again to focussing on supporting our fundholders and importantly, growing our fundholder base.

Staff and volunteers

HCF adapted its working practices to facilitate working from home from 17 March 2020. There have been several attempts to return to the office since this time but in line with government guidance this has not been possible on any scale. Several members of staff have adopted a hybrid model of working with some members working in

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part from Foundation House and from home. This has worked well ensuring the office and phones are manned whilst providing an opportunity for team members to collaborate. Following a staff survey it is anticipated that the team will return to office working from September 2021 with requests for flexible working reviewed on a case by case basis in acknowledgement that the team remained highly productive during the various lockdowns.

Efforts have been made during this period to remain in contact with HCF's volunteers and it is hoped that several volunteers will be able to provide office based support over the summer months and beyond.

A detailed office risk assessment remains in place and under constant review to ensure HCF takes all reasonable measures to ensure the safety of its team and volunteers.

Grant making

In light of the pandemic the April 2020 grants round was put on hold and all applicants were contacted to discuss their plans. Within 48 hours of lockdown HCF had adapted its grant programmes to focus on emergency relief grant making and has subsequently awarded over 170 emergency relief grants. HCF's large and small grants programmes will resume operation from September reflecting the ability of some groups and organisations to begin to resume usual services.

Training and Development

HCF Training and Development adapted very quickly to a new way of working. With all face to face training cancelled the team developed an online offering. This included the training of over 1,000 local volunteers, in conjunction with #TeamHerts, who all stepped forward to support the county's pandemic relief efforts. A new series of training is currently under development to address inequalities including digital inclusion and unconscious bias. This reflects the disproportionate impact Covid-19 has had on minority communities and reflects HCF's commitment to do more to support those impacted by the pandemic. Going forward it is anticipated that HCF Training & Development will offer paid for online training combined with face to face training.

Pension liability

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

Hertfordshire' charity and voluntary sector

The local charity and voluntary sector has been hit hard by the pandemic. Many groups and organisations have faced a dramatic loss in income as events have been cancelled and paid for services have ceased. While some organisations ceased their operations, many adapted quickly to respond to the immediate aftermath of the lockdown. From delivering food and medicine to sheltering residents to supporting victims of domestic abuse, the local voluntary sector has played an even more vital role than before. HCF's greatest concern is that a reduction in charitable income will eventually reduce the capacity of the local voluntary sector at a time when people are more likely than ever to turn to small grass root organisations. HCF's ability to grow its endowment and attract new pass through funds will be critical to ensuring the voluntary sector can be supported during the recover phase and beyond.

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REFERENCE AND ADMINISTRATIVE DETAILS

Foundation office and registered address

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

Statutory Auditor

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

Bankers

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

Investment managers

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

Solicitors

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

Statement of responsibilities of the Trustees

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

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

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

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

By order of the Trustees on 28 September 2021.

Henry Holland-Hibbert
Chair of Trustees

Simon Tilley
Audit Committee Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HERTFORDSHIRE COMMUNITY FOUNDATION FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Hertfordshire Community Foundation (the charitable company) for the year ended 31 March 2021 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

Audit response to risks identified

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

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

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

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

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

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

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

This description forms part of our auditor's report.

Use of our report

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

Paul Windmill (Senior Statutory Auditor)

Dated:

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

Hertfordshire Community Foundation

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

For the year ended 31 March 2021

		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		Funds	Funds	Funds	2021	Funds	Funds	Funds	2020
	note	£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	6,728	2,601,646	151,242	2,759,616	38,036	1,052,399	442,772	1,533,207
Charitable activities	3	52,635	299,509	-	352,144	24,679	154,577	-	179,256
Other trading activities	4	26,804	-	11,090	37,894	56,249	-	12,928	69,177
Investments	5	497	1,222	253,383	255,102	4,247	-	271,616	275,863
Total		86,664	2,902,377	415,715	3,404,756	123,211	1,206,976	727,316	2,057,503
Expenditure on:									
Raising funds	6	(116,425)	(224)	(2806)	(119,455)	(125,705)	(8,629)	(3,693)	(138,027)
Charitable activities	7	(247,873)	(2,281,129)	(149,130)	(2,678,132)	(231,429)	(769,919)	(352,198)	(1,353,546)
		(364,298)	(2,281,353)	(151,936)	(2,797,587)	(357,134)	(778,548)	(355,891)	(1,491,573)
Unrealised gains/(losses) on investments		-	33,447	2,243,026	2,276,473	-	(13,138)	(740,943)	(754,081)
Net income/(expenditure)		(277,634)	654,471	2,506,805	2,883,642	(233,923)	415,290	(369,518)	(188,151)
Transfer between funds		272,687	(204,796)	(67,891)	-	241,106	(60,763)	(180,343)	-
Net movement in funds		(4,947)	449,675	2,438,914	2,883,642	7,183	354,527	(549,861)	(188,151)
Reconciliation of funds									
Total funds brought forward		8,306	498,876	10,573,402	11,080,584	1,123	144,349	11,123,263	11,268,735
Total funds carried forward		3,359	948,551	13,012,316	13,964,226	8,306	498,876	10,573,402	11,080,584

Balance Sheet
As at 31 March 2021

	note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	15		670,826		685,004
Investments	16		11,355,507		9,079,433
Mixed motive investments	17		607,619		607,619
			12,633,952		10,372,056
Current assets					
Debtors	18	79,145		218,787	
Cash at bank and in hand		1,428,230		741,815	
			1,507,375		960,602
Liabilities					
Creditors: amounts due within one year	19		(177,101)		(252,074)
Net current assets			1,330,274		708,528
Total net assets			13,964,226		11,080,584
The funds of the charity					
23					
Endowment funds					
General			10,385,148		10,383,371
Revaluation reserve			2,627,168		190,031
			13,012,316		10,573,402
Restricted income funds			948,551		498,876
Unrestricted funds			3,359		8,306
			13,964,226		11,080,584

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

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

The financial statements were approved by the trustees on 28 September 2021 and signed on their behalf by:

Henry Holland - Hibbert
Chairman of Trustees

Simon Tilley
Audit Committee Chairman

Hertfordshire Community Foundation
Statement of cash flows
For the year ended 31 March 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (note i)	435,493	204,734
Cash flows from investing activities:		
Dividends, interest and rents from investments	255,102	275,863
Purchase of property plant and equipment	(4,579)	(5,630)
Proceeds from sale of investments	399	-
Purchase of investments	-	(530,782)
Net cash provided by (used in) investing activities	250,922	(260,549)
Change in cash and cash equivalents in the reporting period	686,415	(55,815)
Cash and cash equivalents at beginning of the reporting period	741,815	797,630
Cash and cash equivalents at end of the reporting period (note ii)	1,428,230	741,815
Note i		
Net income/ (expenditure) for the reporting period	2,883,640	(188,151)
(as per the Statement of Financial Activities)		
Adjustment for:		
Depreciation	18,757	17,210
Unrealised Losses/(Gains) on investments	(2,276,471)	754,081
Dividends, interest and rents from investments	(255,102)	(275,863)
(Increase)/decrease in debtors	139,642	(199,417)
Increase/(decrease) in creditors	(74,973)	96,874
Net cash provided by (used in) operating activities	435,493	204,734
Note ii		
Analysis of cash and cash equivalents		
Cash in hand	1,428,230	741,815
	1,428,230	741,815

1. Accounting policies

Basis of preparation

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

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

Significant accounting policies are listed below.

Public benefit entity

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

Going concern

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

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

Funds structure

Endowment Funds

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

Restricted Funds

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

Unrestricted Funds

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

Income recognition

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

1. Accounting policies (continued)

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

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

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

Expenditure recognition

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

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

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

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

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

Allocation of costs

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

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

Grant funding

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

1. Accounting policies (continued)

Irrecoverable VAT

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

Depreciation of tangible fixed assets

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

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

Investments

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

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

Pension Contributions

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

2. Income from donations and legacies

	2021	2020
	£	£
Donations	2,756,061	1,529,272
Other grants	-	-
Membership	3,555	3,935
	2,759,616	1,533,207

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

3. Income from charitable activities

	2021	2020
	£	£
Performance related grants	299,509	154,577
Lettings	11,635	18,179
Management fees	41,000	6,500
	352,144	179,256

Included in performance related grants is **£ 182,932 (2020: £121,881)** made by local authorities to fund the Workforce Development Programme for the voluntary sector in Hertfordshire. At **31 March 2021**, the performance criteria had been fully met.

During 2020/21 HCF took part in a crowdfunding pilot project in partnership with Hertfordshire County Council (HCC) and Crowdfunder Ltd. With three funding streams provided by HCC, Hertsmere Borough Council and East Herts Council, over 20 projects were supported. Funding was received by HCF and then forwarded to Crowdfunder Ltd so that selected projects could be supported directly via the crowdfunding platform.

4. Income from other trading

	2021	2020
	£	£
Rent	37,864	34,697
Fundraising	30	31,680
Sponsorship	-	2,800
	37,894	69,177

5. Income from Investments

	2021	2020
	£	£
Listed Investments – within the UK	254,605	271,616
Bank interest	497	4,247
	255,102	275,863

6. Expenditure on raising funds

	2021	2020
	£	£
Direct costs	4,689	12,123
Support costs	114,766	125,904
	119,455	138,027

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

7. Expenditure on charitable activities

Activity or Project	Direct	Grant	Grants	Support	Total
Current Year	Activity	Institutions	Individuals	Costs	2021
	£	£	£	£	£
Grants programme (note 9)	-	2,182,829	29,953	226,855	2,439,637
HCF Training & Development	97,203	24,715	-	-	121,918
Rowlandson Sponsorship	8,577	-	-	-	8,577
Crowdfunder	108,000	-	-	-	108,000
	213,780	2,207,544	29,953	226,855	2,678,132
Prior Year	Direct	Grant	Grants	Support	Total
	Activity	Institutions	Individuals	Costs	2020
	£	£	£	£	£
Grants programme (note 9)	-	959,137	22,923	206,867	1,188,927
Herts Matters	14,595	-	-	-	14,595
HCF Training & Development	103,735	33,676	-	-	137,411
Rowlandson Sponsorship	12,613	-	-	-	12,613
	130,943	992,813	22,923	206,867	1,353,546

8. Support Costs

	2021	2020
	£	£
<i>Support</i>		
Staff Costs	223,950	192,213
Premises	22,188	36,531
Office costs	22,244	29,446
Depreciation	18,757	17,210
Other	16,362	22,100
	303,501	297,500

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

8. Support Costs (continued)	2021	2020
	£	£
<i>Governance</i>		
Staff costs	23,977	22,188
Trustee expenses	-	-
Audit fees	10,360	9,840
Professional and legal fees	2,609	1,221
Trustee indemnity insurance	1,175	1,240
Other	-	782
	38,121	35,271
Total	341,622	332,771
Allocated to activities: based on staff time		
Raising funds	114,767	125,904
Charitable Activities	226,855	206,867
	341,622	332,771

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

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

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

Prior Year	Grants to institutions	Grants to individuals	Total 2020
	£	£	£
Fairness	141,356	22,923	164,279
Housing	18,909	-	18,909
Safety	136,010	-	136,010
Work & Learning	95,195	-	95,195
Healthy Living	322,841	-	322,841
Strong Communities	244,826	-	244,826
HCF Training & Development	33,676	-	33,676
	992,813	22,923	1,015,736

10. Net income for the year

This is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation	18,757	17,210
Auditors' remuneration (excluding VAT)		
Audit	8,633	8,200
Other services	-	-

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

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	258,102	228,318
Social security costs	17,332	15,896
Employer's contribution to defined contribution pension schemes	20,718	19,203
	296,152	263,417

No employees received employee benefits (excluding employer pension costs) during the year of more than £60,000 (2020: nil)

Total employee benefits including employer's national insurance and pension contributions of the key management personnel were £67,552 (2020: £66,225).

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2020: nil). No trustee received payment for professional services supplied to the charity (2020: nil)

Trustee expenses represent the payment or re-imburement of travel and subsistence costs totalling £0 (2020: £0) incurred by 0 (2020: 0) members relating to attendance at meetings of the trustees.

12. Staff numbers

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

	2021	2020
	No:	No:
Raising funds	2.1	2.1
Charitable Activities	5.0	5.0
Support	2.8	1.8
Governance	1.1	1.1
	11.0	10.0

13. Related party transactions

During the year, trustees donated a total of £89,774 to the charity (2020: £44,060). £87,500 (2020: nil) had restrictions placed upon them.

During the year, a total of £nil was received from Trustees for tickets to a fundraising event (2020: £16,560).

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

There were no other related party transactions to disclose for the year (2020: none).

14. Taxation

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

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

15. Tangible fixed assets

	Freehold land & buildings	Computer equipment	Furniture & equipment	Total
	£	£	£	£
Cost				
At beginning of year	874,666	42,936	79,879	997,481
Additions	-	1,155	3,424	4,579
Disposals	-	-	-	-
At end of the year	874,666	44,091	83,303	1,002,060
Depreciation				
At beginning of year	198,151	41,185	73,141	312,477
Charge for year	15,500	782	2,475	18,757
Eliminated on disposal	-	-	-	-
At end of the year	213,651	41,967	75,616	331,234
Net book value				
At beginning of year	676,515	1,751	6,738	685,004
At end of the year	661,015	2,124	7,687	670,826

Land with a value of £100,000 (2019: £100,000) is included within freehold property and not depreciated.

All the above assets are used for charitable purposes.

16. Investments

Listed Investments

	2021	2020
	£	£
Fair value at the start of the year	9,079,433	9,302,732
Additions at cost	-	530,782
Disposal proceeds	(399)	-
Unrealised net gain/(loss) on change in fair value	2,276,473	(754,081)
Fair value at end of the year	11,355,507	9,079,433
Historic cost at the end of the year	8,728,337	8,889,401

16. Investments (continued)

	2021	2020
	£	£
Listed investments all held within the UK comprise:		
Rathbone Unit Trust Management	7,271,873	5,583,905
COIF Charities Investment Fund	4,082,740	3,383,547
Cash held by brokers for re-investment	894	111,980
	11,355,507	9,079,433

17. Mixed motive investments

	2021	2020
	£	£
Freehold land and buildings		
Cost at start of the year	607,619	607,619
Additions	-	-
Cost at end of the year	607,619	607,619

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

In light of the ongoing economic uncertainty being caused by the Coronavirus pandemic, the trustees have considered the value of the building since the year end and conclude that the value of the property remains appropriate. Long term changes to the property market are yet to have filtered through and based on the location and condition of the property, the value remains appropriate and there has been no impairment in its value since the year end.

18. Debtors

	2021	2020
	£	£
Trade debtors	39,274	173,127
Other debtors	3,771	1,637
Prepayments	6,350	26,436
Accrued income	29,750	17,587
	79,145	218,787

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	587	6,809
Other creditors	3,605	9,806
Accruals	120,759	143,704
Deferred Income (note 20)	52,150	91,755
	177,101	252,074

20. Deferred income

	2021	2020
	£	£
Balance at the beginning of the year	91,755	121,575
Amount released to income in the year	(112,978)	(117,365)
Amount deferred in the year	73,373	87,545
Balance at the end of the year	52,150	91,755

21. Analysis of net assets between funds

Current Year	Unrestricted	Restricted	Endowment	Total
	£	£	£	2021
	£	£	£	£
Tangible fixed assets	9,813	-	661,013	670,826
Investments	-	-	11,355,507	11,355,507
Mixed motive investments	-	-	607,619	607,619
Net current assets	(6,454)	948,551	388,177	1,330,274
Net assets at the end of the year	3,359	948,551	13,012,316	13,964,226
Prior Year	Unrestricted	Restricted	Endowment	Total
	£	£	£	2020
	£	£	£	£
Tangible fixed assets	8,489	-	676,515	685,004
Investments	-	155,362	8,924,071	9,079,433
Mixed motive investments	-	-	607,619	607,619
Net current assets	(183)	343,514	365,197	708,528
Net assets at the end of the year	8,306	498,876	10,573,402	11,080,584

22. Operating lease commitments

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

	2021	2020
	£	£
Less than one year	555	458
1-5 years	2,045	-
	2,600	458

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

23. Movement in funds

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

Hertfordshire Community Foundation
Notes to the financial statements (continued)
For the year ended 31 March 2021

23. Movement in funds (continued)

Prior Year	At the start of the year	Income	Expenditure	Gains or (losses)	Transfers	At the end of the year 2020
	£	£	£	£	£	£
Endowment funds						
General	3,511,559	492,488	(126,794)	(369,966)	(36,685)	3,470,602
Grassroots	3,305,221	112,491	(103,249)	(260,336)	(45,434)	3,008,693
Communities First	3,614,468	122,337	(125,848)	(110,641)	(82,724)	3,417,592
Property	692,015	-	-	-	(15,500)	676,515
	11,123,263	727,316	(355,891)	(740,943)	(187,800)	10,573,402
Restricted funds						
Restricted Income Funds	77,715	1,051,399	(613,927)	(13,138)	(61,351)	440,698
HCF Training & Development	66,634	134,462	(137,411)	-	(5,507)	58,178
Herts Get Set	-	-	-	-	2,443	-
Herts Community Solutions	-	-	-	-	-	-
Rowlandson Sponsorship	-	12,615	(12,615)	-	-	-
Other	-	8,500	(14,595)	-	6,095	-
	144,349	1,206,976	(778,548)	-	(60,763)	498,876
Unrestricted						
General	1,123	123,211	(357,134)	-	241,106	8,306
	1,123	123,211	(357,134)	-	241,106	8,306
Total Funds	11,268,735	2,057,503	(1,491,573)	(754,081)	-	11,080,584