

**Company Registration No: 08794474**

**Charity Registration No: 1156082**

**HERTFORDSHIRE COMMUNITY FOUNDATION**  
**DIRECTORS REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

### CHAIRMAN'S STATEMENT

I am pleased to present the Trustees' Annual Report and Financial Statements for the year ended 31 March 2020.

My association with HCF began in 2013, taking over the Chair from Gerald Corbett in September 2019. Gerald stepped down after an impressive 12 years of service having taken HCF from strength to strength. Both Jo Connell and John Palmer also stepped down in September 2019 having chaired the Grants and Governance committees respectively. I would like to thank Gerald for his tireless support, his unfailing sense of humour and his commitment to HCF. I would like to thank Jo for her quick thinking and balanced decision-making and John for his attention to detail and fine tuning of our governance.

We were also delighted to welcome the Lord Lieutenant of Hertfordshire, Robert Voss CBE, CStJ as HCF's incoming President. Our thanks go to Lady Verulam, our outgoing President, for her unfailing support of HCF for many years and I am very pleased to confirm that Lady Verulam remains involved with HCF having become an HCF Patron.

While these accounts focus on the year to 31 March 2020, we also touch on the impact of Covid-19 on HCF's finances and operations - which we expect to be felt for some time to come. Lockdown has also helped to highlight the incredible role played by our local voluntary and charity sector. Recent events have demonstrated the sectors' rapid ability to adapt, innovate and support local people in the face of adversity.

HCF has ended the year to 31 March 2020 with a modest surplus after awarding £1,015,736 in grant support to 374 groups and organisations. This marks a small decrease in total grant making against the year 2018/19 but still reflects good overall progress.

While we have ended the year with a surplus and we expect to increase our grant making in the year ahead we are acutely aware that the local voluntary and charity sector is facing an extremely tough time. Demand for services is increasing at a time when income has been severely affected by the lockdown and social distancing requirements. HCF knows it has a challenge ahead to grow its grant making and increase its impact in Hertfordshire – but this is our goal.

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 you all 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

## INTRODUCTION

The trustees present their report and accounts for the year ended 31 March 2020. 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 Countess of Verulam (to Sept 19)

The Lord Lieutenant of Hertfordshire (from Sept 19)

### 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 (from Sept 19), Audit and Communications & Development Committees
Gerald Corbett DL (to Sept 19)	Chair of Trustees
Anna Bates	Grants Committee
Sally Burton DL	Grants Committee
Jill Burrridge	Research and Impact Committee (Chair), Communications & Development and Governance Committees
Cllr Terry Douris	Audit committee
Suzy Harvey DL (from Sept 19)	Grants, Research and Impact and Staffing Committees
Will Hobhouse	Communications and Development Committee (Chair)
Gus Machado (from Sept 19)	Governance and Research & Impact Committees
John Saner	Governance Committee (Chair from Sept 19)
Simon Tilley	Audit Committee (Chair)
Maggie Turner OBE	Grants and Research & Impact Committees
Suzanne Westlake (from Sept 19)	Grants Committee
James Williams MBE	Staffing (Chair), Grants and Governance Committees

### Staff and consultants

Helen Gray	Foundation Director
Georgina Bawden	Grants Manager
Simone Deans	Office Manager (from May 20)
Susan Dolton	Grants Manager (from Feb 20)
Helen Doubal	Programmes Manager (Head of Grants from April 20)
Sarah Elliott	Project Consultant (HCF Training & Development to Sept 19)
Louise Marron	Project Manager (HCF Training & Development from Sept 19)
Danielle Hood	Marketing Officer
Maureen Palmer	Grants Administrator
Ana Siewniak	Project Coordinator (HCF Training & Development)
Nicola Stokes	Grants Manager
Sarah Tisdall	Office Manager (to March 20)
Susan Waite	Finance Manager

## 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.

To meet this 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.

## Vision and Mission

Following a strategic review in February 2020, HCF's Vision and Mission statements were confirmed as following:

**Our Vision:** To create a county of vibrant, inclusive communities where voluntary and community organisations thrive, enhancing the lives of the most disadvantaged people 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 service targeted to address identified need.
5. Developing a stronger, effective and more sustainable voluntary sector through HCF Training & Development.
6. Increasing HCF's profile amongst its key audiences.
7. Ensuring HCF operates with financial sustainability.

## Public benefit

The Trustees have referred to the charity commission's general guidance on public benefit when reviewing 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

The Foundation'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.

## Grant making policy

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

The grant making policy relates to the grant making activity within 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 has awarded 374 grants with a combined value of £1,015,736, the second consecutive year in which grants in excess of £1m have been awarded. In total HCF has awarded in excess of £13m 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 £10,573,402 as of March 2020. This represents a £549,861 decrease on the year end position at 31 March 2019. During the year several new endowment and medium term funds were secured. Additions to endowments and medium term funds totalled £616,700 however the downturn in the investment markets at the end of March 2020, in response to Covid-19, impacted our end of year position.

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

## Grant making

HCF distributed a total of 374 grants amounting to £1,015,736 (2019: 329 grants totalling £1,042,328) reaching in excess of 45,000 beneficiaries.

273 grants were made to local groups and organisations. Grants were awarded from the following grant streams:

- £328,646 from named Endowment funds and HCF Foundation Endowment funds and supporting 115 groups with an average grant of £2,857.
- £205,297 from one major donor, supporting 14 groups with an average grant of £14,664.
- £96,176 large donor grants supporting 20 groups with an average grant of £4,809
- £109,243 from the PCC Action Fund for Hertfordshire, supporting 22 groups with an average grant of £4,965
- £94,817 from the HCC Community Grants Programme, to 14 groups with an average grant of £6,773
- £24,567 from other flow through funds supporting 22 groups at an average £1,117

- £29,712 from the #iwill Fund including match funding supporting 6 groups with an average grant of £4,952
- £33,676 through HCF Training and Development's Workforce Development grants, supporting 49 organisations, including the 32 mentioned below, with an average grant of £623
- £57,679 from the Tampon Tax Community Fund to 6 groups with an average grant of £9,613
- £8,000 from the newly created HCF CoronaVirus fund to 4 groups
- £5,000 from the Royal London fund for 1 grant

101 grants were made to Individuals to a total value of £22,923 including:

- £19,577 through Hertfordshire Children's Fund grants programme supporting 89 families with an average grant of £218
- £3,346 to individuals from advised grants

### **HCF Training and Development:**

- HCF Training and Development provided training to 463 attendees across 39 courses in 2019-20 as part of the VCS Training Programme.
- 32 organisations received a Workforce Development Grant towards the learning and development of the organisation's workforce.
- 20 organisations received in-house governance training as part of HCF's new Better Boards, trustee training programme- to improve board effectiveness for Hertfordshire charities.
- Over 50 people attended HCF's first Annual Hertfordshire Trustee Conference as part of the Better Boards Programme, delivered in partnership with #TeamHerts Volunteering.
- 36 individuals qualified with a Level 3 Award in Education and Training, funded via Workforce Development Grants.
- 8 organisations completed the full Building Effectiveness programme, successfully completing a tailored improvement programme supported by HCF's advisors and volunteer business mentors, supported by a consortium of HCF fund holders.

## **FINANCIAL REVIEW**

### **Financial position**

The Foundation's endowment funds reserve totalled £10,573,402 representing a decrease over the previous year following a sharp fall in investment values as the impact of Covid-19 hit investment markets in March 2020. This reduced the value of the Foundation's endowment fund by £740,943 despite securing several new endowment funds during the course of the year. HCF outsources the management of its endowment funds to CCLA and Rathbone Brothers.

Investment values have since started to recover and as at 31 August 2020, investment values had regained £1,508,038 of this loss. As explained in note 16, investments decreased in value prior to the year end.

This year's accounts also show a surplus of £29,539 (2019: £17,597), demonstrating continued robust and careful financial management. It also reflects an increase in funds raised at the 2019 London Marathon and an increase in pass through grant making programmes.

Income for grant making remained stable during the year with £1,015,736 being distributed in grant aid including grants for training and development.

- The total balance of funds at 31 March 2020 was £11,080,584 (2019: £11,268,735).
- Endowment funds totalled £10,573,402 at 31 March 2020 (2019: £11,123,263). Of these funds, £607,619 (2019: £607,619) represents social investment (the Nigel Copping Community Building) that could only be realised by disposing of the assets.
- Restricted funds totalled £498,876 at 31 March 2020 (2019: £144,349), 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 2020 was £8,306 (2019: £1,123).
- The Foundation's income, including new income from fund development, totalled £2,057,503 (2019: £1,969,765). This represents an increase of 4.5%.

### **Operations and governance**

The Foundation's charitable activity, taken as a percentage of overall activity, was 90.7% (90.4 % last year). Governance costs, as a percentage of overall costs, were 2.4% (2.4% last year). The cost of generating income, as a percentage of total income, was 7.4% (7.4% last year). 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 -8.7% which compares to the market benchmark of -6.2%, and the peer group (ARC, Charity Steady Growth Index) of -7.9%. 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.

The Foundation'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 20 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 reserves derive 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 consistently award grants totalling in excess of £1 million per year by the year 2025 to tackle need and deprivation across Hertfordshire
2. To become the leading provider of support, capacity building and insight into the voluntary sector in Hertfordshire by 2022.
3. To grow HCF's endowment by 10% by March 2022.

### **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 2020, the Foundation had thirteen 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 2020, there were 11 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:

#### **Fundraising and event income**

The impact of Covid-19 will be felt in the financial year ending March 2021 and potentially the year ending March 2022. The pandemic has resulted in the postponement or cancellation of several events including the London Marathon 2020 and also a large-scale fundraising dinner scheduled to take place at Warner Studios in April 2020. While marathon runners are being encouraged to run on 4 October 2020 it is expected that income from the marathon will be down on previous years. This has been reflected in the 2020/21 HCF budget. It is anticipated that subject to the latest public health and governance guidelines the Warner Brothers dinner will take place in 2021.

#### **Rental income**

Due to the pandemic some of HCF's tenants have requested flexibility in paying their rent. We have adopted a flexible approach in respect of our charity tenants, reflecting the huge challenges the sector is facing. In addition, an office at Foundation House became vacant during lockdown and it is expected that it will remain vacant for some time. This loss in rental income has been reflected in the 2020/21 budget. Similarly, since lockdown began HCF has been unable to generate income from its board room which it regularly rents for external meetings. This is likely to be the case for the majority of 2020/21.

#### **Emergency relief fundraising**

Within 48 hours of lockdown HCF had launched a local emergency relief appeal. This has generated in excess of £200,000 in donations to date. Importantly the UKCF network has partnered with the National Emergencies Trust (NET) to distribute millions of pounds across the UK to support those who have been particularly impacted by Covid-19. Additionally, DCMS (Department for Digital, Culture, Media and Sport) funds have also been distributed via UKCF. At HCF these partnerships have enabled the team to respond quickly and effectively to emerging need whilst ensuring sufficient funds (in the region of £600,000) are available for immediate response. Applications are now being reviewed on a rolling basis to ensure funding is distributed quickly. It is anticipated that further funding will become available via UKCF during the remainder of 2020/21 and that grant making will exceed £1m in 2020/21. Not only have these new funds enabled HCF to respond quickly to local need but the levy applied by HCF will help to contribute towards the overheads associated with grant making.

### **Endowment fund grant making**

The fall in value of HCF's endowment fund in March 2020 led to a decision by the Board to distribute 2% of the value of the funds in grant making in the year 2020/21. This compares to a distribution of 4% in the previous two financial year. This decision reflects the ongoing volatility within the investment market and in keeping with HCF's endowment policy efforts will continue to be made to protect the capital value of the funds. This has reduced the level of grant making that HCF will be able to disburse from the endowment funds but this shortfall will be more than made up by the National Emergencies Trust and Digital Culture Media and Sport funds.

### **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. A new member of staff had already been appointed on a 24-month contract in February 2020 to work exclusively on this programme. It is with thanks that HCC honoured the agreed fee for this work allowing HCF to retain its new grants manager who has been redeployed to provide much needed support to HCF's grants team that has worked tirelessly to respond quickly to the hundreds of funding applications received. In addition, this resource enabled HCF to undertake a comprehensive survey of the local voluntary sector in May 2020 to understand the key issues facing the sector and the key social issues facing the communities of Hertfordshire.

### **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 has been given to distributing NET and DCMS funding it is anticipated that fund holder grant making will resume in autumn 2020.

### **Staff and volunteers**

HCF's IT systems were already established to enable remote working, reflecting HCF's flexible working policy. As a result, the team began working remotely on Tuesday 17 March 2020 following government advice issued on the evening of Monday 16 March. Remote working has gone smoothly, despite some challenges, and service delivery remained uninterrupted. HCF's team of regular and highly valued volunteers ceased volunteering on 17 March but subsequently several volunteers have begun supporting HCF remotely. Trustees have remained highly active and supportive during the lockdown. In particular, members of the Grants Committee have played a key role in supporting the rolling emergency relief grant making programme. Going forward it is hoped that staff may return to Foundation House from September 2020. This will be reviewed in line with current government guidance. The HCF team has proven beyond doubt that it can work effectively remotely but the benefits of being co-located mean that the ultimate aim is to return to Foundation House once it is safe to do so. In preparation a return to work risk assessment has been undertaken in conjunction with the team and numerous measures have been taken to ensure the office is now Covid-19 compliant.

### **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 has 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 BAME communities and reflects HCF's commitment to do more to support those impacted by the pandemic. Going forward HCF Training and Development will offer paid for online training until it is safe to resume face to face contact.

## **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.

## **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

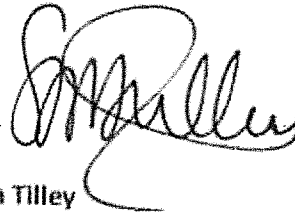
The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 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 20 October 2020.



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 2020

#### Opinion

We have audited the financial statements of Hertfordshire Community Foundation (the charitable company) for the year ended 31 March 2020 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 2020 and of its net income 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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. 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.

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

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

### **Auditor'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.

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](http://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. 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.



Paul Windmill (Senior Statutory Auditor)

Dated: 23. 11. 2020.

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 2020

	note	Unrestricted Funds		Restricted Funds		Endowment Funds		Total 2020		Unrestricted Funds		Restricted Funds		Endowment Funds		Total 2019	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Income and endowments from:</b>																	
Donations and legacies	2	38,036	1,052,399	442,772	1,533,207	35,432	812,106	579,655	1,427,193								
Charitable activities	3	24,679	154,577	-	179,256	19,590	181,636	-	201,226								
Other trading activities	4	56,249	-	12,928	69,177	63,789	-	11,260	75,049								
Investments	5	4,247	-	271,616	275,863	2,867	-	263,430	266,297								
<b>Total</b>		<b>123,211</b>	<b>1,206,976</b>	<b>727,316</b>	<b>2,057,503</b>	<b>121,678</b>	<b>993,742</b>	<b>854,345</b>	<b>1,969,765</b>								
<b>Expenditure on:</b>																	
Raising funds	6	(125,705)	(8,629)	(3,693)	(138,027)	(141,562)	(3,328)	-	(144,890)								
Charitable activities	7	(231,429)	(769,919)	(352,198)	(1,353,546)	(223,106)	(927,516)	(214,402)	(1,365,024)								
<b>Total</b>		<b>(357,134)</b>	<b>(778,548)</b>	<b>(355,891)</b>	<b>(1,491,573)</b>	<b>(364,668)</b>	<b>(930,844)</b>	<b>(214,402)</b>	<b>(1,509,914)</b>								
Net gains/(losses) on investments		-	(13,138)	(740,943)	(754,081)	-	463,588	463,588									
<b>Net income/(expenditure)</b>		<b>(233,923)</b>	<b>415,290</b>	<b>(369,518)</b>	<b>(188,151)</b>	<b>(242,990)</b>	<b>62,898</b>	<b>1,103,531</b>	<b>923,439</b>								
Transfer between funds		241,106	(60,763)	(180,343)	-	243,995	(56,196)	(187,799)	-								
<b>Net movement in funds</b>		<b>7,183</b>	<b>354,527</b>	<b>(549,861)</b>	<b>(188,151)</b>	<b>1,005</b>	<b>6,702</b>	<b>915,732</b>	<b>923,439</b>								
<b>Reconciliation of funds</b>																	
Total funds brought forward		1,123	144,349	11,123,263	11,268,735	118	137,647	10,207,531	10,345,296								
<b>Total funds carried forward</b>		<b>8,306</b>	<b>498,876</b>	<b>10,573,402</b>	<b>11,080,584</b>	<b>1,123</b>	<b>144,349</b>	<b>11,123,263</b>	<b>11,268,735</b>								



## Hertfordshire Community Foundation

## Balance Sheet

As at 31 March 2020

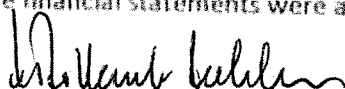
Company no: 08794474

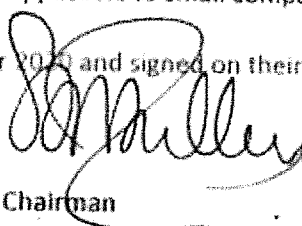
	note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	15		685,004		695,584
Investments	16		9,079,433		9,302,732
Mixed motive investments	17		607,619		607,619
			<b>10,372,056</b>		<b>10,606,935</b>
<b>Current assets</b>					
Debtors	18	218,787		19,370	
Cash at bank and in hand		741,815		797,630	
		<b>960,602</b>		<b>817,000</b>	
<b>Liabilities</b>					
Creditors: amounts due within one year	19	(252,074)		(155,200)	
<b>Net current assets</b>			<b>708,528</b>		<b>661,800</b>
<b>Total net assets</b>			<b>11,080,584</b>		<b>11,268,735</b>
<b>The funds of the charity</b>					
Endowment funds					
General			10,383,371		10,179,326
Revaluation reserve			190,031		943,347
			<b>10,573,402</b>		<b>11,123,263</b>
Restricted income funds			498,876		144,349
Unrestricted funds			8,306		1,123
			<b>11,080,584</b>		<b>11,268,735</b>

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 20 October 2020 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 2020

	2020	2019
	£	£
<b>Cash flows from operating activities:</b>		
Net cash provided by/(used in) operating activities (note i)	204,734	348,984
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	275,863	266,298
Purchase of property plant and equipment	(5,630)	(550)
Proceeds from sale of investments	-	-
Purchase of investments	(530,782)	(167,774)
<b>Net cash provided by (used in) investing activities</b>	<b>(260,549)</b>	<b>97,974</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(55,815)</b>	<b>446,958</b>
Cash and cash equivalents at beginning of the reporting period	797,630	350,672
<b>Cash and cash equivalents at end of the reporting period (note ii)</b>	<b>741,815</b>	<b>797,630</b>
<b><u>Note i</u></b>		
<b>Net income/ (expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	<b>(188,151)</b>	<b>923,439</b>
<b>Adjustment for:</b>		
Depreciation	17,210	17,106
Losses/(Gains) on investments	754,081	(463,588)
Dividends, interest and rents from investments	(275,863)	(266,298)
(Increase)/decrease in debtors	(199,417)	23,927
Increase/(decrease) in creditors	96,874	114,398
<b>Net cash provided by (used in) operating activities</b>	<b>204,734</b>	<b>348,984</b>
<b><u>Note ii</u></b>		
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	741,815	797,630
Notice deposits	-	-
	<b>741,815</b>	<b>797,630</b>

## **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

	2020	2019
	£	£
Donations	1,529,272	1,421,318
Other grants	-	-
Membership	3,935	5,875
	<b>1,533,207</b>	<b>1,427,193</b>

**Hertfordshire Community Foundation**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2020**

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**3. Income from charitable activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Performance related grants	154,577	181,636
Lettings	24,679	19,590
	<b>179,256</b>	<b>201,226</b>

Included in performance related grants is £121,881 (2019: £142,989) made by local authorities to fund the Workforce Development Programme for the voluntary sector in Hertfordshire. At 31 March 2020, the performance criteria had been fully met.

**4. Income from other trading**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rent	34,697	32,408
Fundraising	31,680	16,932
Sponsorship	2,800	25,709
	<b>69,177</b>	<b>75,049</b>

**5. Income from Investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Listed Investments – within the UK	271,616	263,430
Bank interest	4,247	1,063
	<b>275,863</b>	<b>266,297</b>

**6. Expenditure on raising funds**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Direct costs	12,123	29,895
Support costs	125,904	114,995
	<b>138,027</b>	<b>144,890</b>

**Hertfordshire Community Foundation**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2020**

**7. Expenditure on charitable activities**

<b>Activity or Project</b>	<b>Direct</b>	<b>Grant</b>	<b>Grants</b>	<b>Support</b>	<b>Total</b>
<b>Current Year</b>	<b>Activity</b>	<b>Institutions</b>	<b>Individuals</b>	<b>Costs</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
Love Herts	-	-	-	-	-
Rowlandson Sponsorship	12,613	-	-	-	12,613
	<b>130,943</b>	<b>992,813</b>	<b>22,923</b>	<b>206,867</b>	<b>1,353,546</b>
<b>Prior Year</b>	<b>Direct</b>	<b>Grant</b>	<b>Grants</b>	<b>Support</b>	<b>Total</b>
	<b>Activity</b>	<b>Institutions</b>	<b>Individuals</b>	<b>Costs</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants programme (note 9)	-	964,255	25,082	192,282	1,181,619
Herts Matters	2,443	-	-	-	2,443
Herts Community Solutions	1,481	-	-	-	1,481
HCF Training & Development	109,101	52,991	-	-	162,092
Rowlandson Sponsorship	17,389	-	-	-	17,389
	<b>130,414</b>	<b>1,017,246</b>	<b>25,082</b>	<b>192,282</b>	<b>1,365,024</b>

**8. Support Costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<i>Support</i>		
Staff Costs	192,213	177,821
Premises	36,531	29,495
Office costs	29,446	25,353
Depreciation	17,210	17,106
Other	22,100	20,268
	<b>297,500</b>	<b>270,043</b>

**Hertfordshire Community Foundation**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2020**

<b>8. Support Costs (continued)</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<i>Governance</i>		
Staff costs	22,188	22,892
Trustee expenses	-	-
Audit fees	9,840	9,840
Professional and legal fees	1,221	2,920
Trustee indemnity insurance	1,240	1,200
Other	782	381
	<b>35,271</b>	<b>37,233</b>
<b>Total</b>	<b>332,771</b>	<b>307,276</b>
 <b>Allocated to activities: based on staff time</b>		
Raising funds	125,904	114,995
Charitable Activities	206,867	192,281
	<b>332,771</b>	<b>307,276</b>

**9. Grant making**

<b>Current Year</b>	<b>Grants to institutions</b>	<b>Grants to individuals</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>992,813</b>	<b>22,923</b>	<b>1,015,736</b>

A full list of awards made can be found at: [www.hertscf.org.uk](http://www.hertscf.org.uk)

<b>Prior Year</b>	<b>Grants to institutions</b>	<b>Grants to individuals</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fairness	115,233	19,082	134,315
Housing	59,198	-	59,198
Safety	162,917	-	162,917
Work & Learning	110,229	-	110,229
Healthy Living	381,872	6,000	387,872
Strong Communities	121,336	-	121,336
HCF Training & Development	52,991	-	52,991
Other	18,749	-	18,749
Grants recovered	(5,279)	-	(5,279)
	<b>964,255</b>	<b>25,082</b>	<b>1,042,328</b>



**10. Net income for the year**

This is stated after charging/(crediting):

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation	17,210	17,106
Auditors' remuneration (excluding VAT)		
Audit	8,200	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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salaries and wages	228,318	221,521
Social security costs	15,896	14,905
Employer's contribution to defined contribution pension schemes	19,203	18,899
	<b>263,417</b>	<b>255,325</b>

No employees received employee benefits (excluding employer pension costs) during the year of more than £60,000 (2019: nil)

Total employee benefits including employer's national insurance and pension contributions of the key management personnel were £66,225 (2019: £64,609).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2019: nil). No trustee received payment for professional services supplied to the charity (2019: nil)

Trustee expenses represent the payment or re-imbursment of travel and subsistence costs totalling £0 (2019: £0) incurred by 0 (2019: 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:

	<b>2020</b>	<b>2019</b>
	<b>No:</b>	<b>No:</b>
Raising funds	2.1	2.1
Charitable Activities	5.0	4.0
Support	1.8	1.8
Governance	1.1	1.1
	<b>10.0</b>	<b>9.0</b>

## 13. Related party transactions

During the year, trustees donated a total of £44,060 to the charity (2019: £12,779). None of these donations had any restrictions placed upon them.

During the year, a total of £16,560 was received from Trustees for tickets to a fundraising event (2019: £0).

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

There were no other related party transactions to disclose for the year (2019: none).

## 14. Taxation

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

**15. Tangible fixed assets**

	Freehold land & buildings £	Computer equipment £	Furniture & equipment £	Total £
<b>Cost</b>				
At beginning of year	874,666	41,022	76,163	991,851
Additions	-	1,914	3,716	5,630
Disposals	-	-	-	-
<b>At end of the year</b>	<b>874,666</b>	<b>42,936</b>	<b>79,889</b>	<b>997,481</b>
<b>Depreciation</b>				
At beginning of year	182,651	40,998	71,618	295,267
Charge for year	15,500	187	1,523	17,210
Eliminated on disposal	-	-	-	-
<b>At end of the year</b>	<b>198,151</b>	<b>41,185</b>	<b>73,141</b>	<b>312,477</b>
<b>Net book value</b>				
At beginning of year	692,015	24	4,545	696,584
<b>At end of the year</b>	<b>676,515</b>	<b>1,751</b>	<b>6,738</b>	<b>685,004</b>

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**

	2020 £	2019 £
Fair value at the start of the year	9,302,732	8,671,370
Additions at cost	530,782	167,774
Disposal proceeds	-	-
Net gain/(loss) on change in fair value	(754,081)	463,588
<b>Fair value at end of the year</b>	<b>9,079,433</b>	<b>9,302,732</b>
<b>Historic cost at the end of the year</b>	<b>8,889,401</b>	<b>8,358,795</b>

**16. Investments (continued)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Listed investments all held within the UK comprise:		
Rathbone Unit Trust Management	5,583,905	5,808,519
COIF Charities Investment Fund	3,383,547	3,494,188
Cash held by brokers for re-investment	111,980	25
	<b>9,079,433</b>	<b>9,302,732</b>

At the year end the value of the investment holdings had fallen significantly as a result of the ongoing uncertainty of the Coronavirus outbreak and resulting falls in global financial markets. However since the year end, the value of investment holdings has recovered by approximately 16.7% from £9,079,433 at 31 March 2020 to £10,587,471 at 31 August 2020.

**17. Mixed motive investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Freehold land and buildings</b>		
Cost at start of the year	607,619	607,619
Additions	-	-
<b>Cost at end of the year</b>	<b>607,619</b>	<b>607,619</b>

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**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	173,127	11,735
Other debtors	1,637	354
Prepayments	26,436	6,980
Accrued income	17,587	301
	<b>218,787</b>	<b>19,370</b>

**Hertfordshire Community Foundation**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2020**

**19. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	6,809	16,706
Other creditors	9,806	3,237
Accruals	143,704	13,682
Deferred Income (note 20)	91,755	121,575
	<b>252,074</b>	<b>155,200</b>

**20. Deferred income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance at the beginning of the year	121,575	12,168
Amount released to income in the year	(117,365)	(8,958)
Amount deferred in the year	87,545	118,365
<b>Balance at the end of the year</b>	<b>91,755</b>	<b>121,575</b>

**21. Analysis of net assets between funds**

<b>Current Year</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Net assets at the end of the year</b>	<b>8,306</b>	<b>498,876</b>	<b>10,573,402</b>	<b>11,080,584</b>

<b>Prior Year</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	4,570	-	692,014	696,584
Investments	-	-	9,302,732	9,302,732
Mixed motive investments	-	-	607,619	607,619
Net current assets	(3,447)	144,349	520,898	661,800
<b>Net assets at the end of the year</b>	<b>1,123</b>	<b>144,349</b>	<b>11,123,263</b>	<b>11,268,735</b>

**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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Less than one year	458	645
1-5 years	-	323
	<b>458</b>	<b>968</b>

**Hertfordshire Community Foundation**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2020**

**23. Movement in funds**

Current Year	At the start of the year	Income		Expenditure		Gains or (losses)		Transfers		At the end of the year 2020
		£	£	£	£	£	£	£	£	
<b>Endowment funds</b>										
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				
	<b>11,123,263</b>	<b>727,316</b>	<b>(355,891)</b>	<b>(740,943)</b>	<b>(180,343)</b>	<b>10,573,402</b>				
<b>Restricted funds</b>										
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				
Rowlandson Sponsorship	-	12,615	(12,615)	-	-	-				
Other	-	8,500	(14,595)	-	6,095	-				
	<b>144,349</b>	<b>1,206,976</b>	<b>(778,548)</b>	<b>(13,138)</b>	<b>(60,763)</b>	<b>498,876</b>				
<b>Unrestricted</b>										
General	1,123	123,211	(357,134)	-	241,106	8,306				
	<b>1,123</b>	<b>123,211</b>	<b>(357,134)</b>	<b>-</b>	<b>241,106</b>	<b>8,306</b>				
<b>Total Funds</b>	<b>11,268,735</b>	<b>2,057,503</b>	<b>(1,491,573)</b>	<b>(754,081)</b>	<b>-</b>	<b>11,080,584</b>				

**Hertfordshire Community Foundation**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2020**

**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 2019
		£	£	£	£	£	£	£	£	
<b>Endowment funds</b>										
General	2,899,153	617,569	(69,737)	100,550	(35,976)	3,511,559				
Grassroots	3,239,209	88,055	(71,699)	107,479	(57,823)	3,305,221				
Communities First	3,361,654	148,722	(72,966)	255,559	(78,501)	3,614,468				
Property	707,515	-	-	-	(15,500)	692,015				
	<b>10,207,531</b>	<b>854,346</b>	<b>(214,402)</b>	<b>463,588</b>	<b>(187,800)</b>	<b>11,123,263</b>				
<b>Restricted funds</b>										
Restricted Income Funds	63,282	809,664	(744,996)	-	(50,235)	77,715				
HCF Training & Development	74,365	162,765	(162,092)	-	(8,404)	66,634				
Herts Get Set	-	-	(2,443)	-	2,443	-				
Herts Community Solutions	-	1,481	(1,481)	-	-	-				
Rowlandson Sponsorship	-	17,389	(17,389)	-	-	-				
Other	-	2,443	(2,443)	-	--	-				
	<b>137,647</b>	<b>993,742</b>	<b>(930,844)</b>	<b>-</b>	<b>(56,196)</b>	<b>144,349</b>				
<b>Unrestricted</b>										
General	118	121,678	(364,669)	-	243,996	1,123				
	<b>118</b>	<b>121,678</b>	<b>(364,669)</b>	<b>-</b>	<b>243,996</b>	<b>1,123</b>				
<b>Total Funds</b>	<b>10,345,296</b>	<b>1,969,766</b>	<b>(1,509,915)</b>	<b>463,588</b>	<b>-</b>	<b>11,268,735</b>				