



THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)

REGISTERED CHARITY NO. 1117345
COMPANY REGISTERED NO. 5999452

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

THE HEART OF ENGLAND COMMUNITY FOUNDATION
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TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

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TRUSTEES AND STAFF

Registered Office: Stellantis
Pinley House, Sunbeam Way
Coventry CV3 1ND

Corporate Patron: Stellantis

Patron: Mrs Sally Carrick (Appointed 10th June 2021)

Presidents: Tim Cox, the Lord Lieutenant of Warwickshire
Rt Reverend Dr Christopher Cocksworth, the Bishop of Coventry
Rt Reverend David Urquhart, the Bishop of Birmingham
John Crabtree OBE, the Lord Lieutenant of the West Midlands

| Trustees: | |
|------------------------|--|
| Mr Phil Ewing | Chair – retired 21 st Oct 2021, Retired as Trustee 9 th June 22 |
| Ms. Michelle Vincent | Treasurer |
| Mr Paul Belfield | |
| Mrs Sally Carrick | Retired 10 th June 2021 |
| Mr. Amrik Bhabra MBE | |
| Ms. Lucie Byron | |
| Mr John Taylor | Deceased 25 th May 22 |
| Mr Christopher West | Chair - Appointed 21 st Oct 21 |
| Ms Jude Jennison | |
| Mr Daniel Worthing | |
| Mr Naeem Alvi-Assinder | Retired 21 st Oct 21 |
| Mr Russell Bailey | |
| Mr Calum Nisbet | |
| Ms Jasmin Koasha | |
| Ms Alethea Fuller | Appointed 10 th June 21 |
| Ms Cleo Morris | Appointed 10 th June 21 |

| | | |
|---------------|-----------------|------------------------------------|
| Staff: | Tina Costello | Chief Executive Officer |
| | Helen Kendrick* | Senior Manager Operations |
| | Shamiela Ahmed | Senior Manager Grants |
| | Claire Evans* | Senior Manager Finance |
| | Katie Bywater | Marketing & Communications Officer |
| | Jenny Whateley | Grants Officer |
| | Lou Beddoe* | Grants Officer |
| | Sarah Lafford* | Grants Officer |
| | Freya Crichton | Grants Officer |
| | Zoe Brown | Executive Officer |
| | Paramjit Kaur | Finance officer |

**Part-Time*

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PROFESSIONAL ADVISORS

Auditors:

Dafferns LLP
One Eastwood, Harry Weston Road
Binley Business Park
Coventry, West Midlands
CV3 2UB

Investment Managers:

Quilter Cheviot
Three Temple Quay
Temple Way
Bristol
BS1 6DZ

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Rathbones
Temple Point
1 Temple Row
Birmingham
B2 5LG

Bankers:

CAF Bank
25 Kings Hill Ave
Kings Hill
West Malling, Kent
ME19 4JQ

Santander Bank
Bootle
Merseyside
L30 4GB

Solicitors:

Wright Hassall LLP
Olympus Avenue
Leamington Spa
Warwickshire

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TRUSTEES' REPORT including DIRECTOR'S REPORT

The Trustees have pleasure in presenting their annual report along with the financial statements of the charity for the year ending 31 March 2022.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, and Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland as amended for accounting periods commencing on or after 1 January 2019 and the Companies Act 2006.

1. Structure, Governance and Management

1.1 Objects and Activities

The objects of the Community Foundation are defined in its Memorandum and Articles of Association. The Community Foundation manages a diverse portfolio of grant programmes working with a range of donors to provide charitable and philanthropic services across the geographical areas of Birmingham, Black Country, Coventry, Solihull, and Warwickshire. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the current aims and objectives and in planning future strategies and setting grant making policies.

Our activities are determined by our charitable objectives:

- The promotion of any charitable purposes for the benefit of communities within the County of West Midlands and Warwickshire, United Kingdom and the advancement of education, the protection of good health and the relief of poverty and sickness
- Any other exclusively charitable purposes, which are, in the opinion of the trustees, beneficial to the community in benefit.

The Foundation exists to support the local voluntary and community sector across the West Midlands. We work with a range of donors to offer bespoke and philanthropic charitable services. We aim to inspire and encourage local giving, supporting those smaller organisations working at the heart of our local communities.

The Foundation primarily supports not for profit organisations with grants which make an impact at a local level. We endeavour to have a balanced portfolio of grant programmes which enables us to fund a wide cross section of organisations supporting those most in need.

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1.1 Objects and activities (continued)

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by the Heart of England Community Foundation and in planning future activities. The benefits of our activities are described in this Annual Report and relate directly to our aims and objectives.

1.2 Board Appointments

At each AGM, one third of the trustees must retire, those longest in office retiring first. The Board of Trustees meet on a quarterly basis.

Our AGM was held on 21st October 2021, in which Naeem Alvi retired from the board and Phil Ewing stood down as Chair.

Chris West was voted in as Chair and we welcome his experience and knowledge of the public sector and very much look forward to Chris continuing to direct and lead our strategy and growth.

Phil Ewing retired from the board in June 2022, Phil was a committed, driven member of our board who played an active role during his 10-year tenure. Phil will be greatly missed by his fellow trustees and the staff team.

Although retired from our board, Sally Carrick is now our patron, Sally served on the board for over 20 years, so we are delighted she has accepted her well-deserved patronage.

It is with huge sadness to the Foundation that our longest serving Trustee John Taylor passed away after a brave battle with illness in May 2022. John was integral in supporting our growth, developing forward thinking strategies and always supportive of both the board and the staff team, he will be sadly missed.

The names of the Trustees who have served throughout the financial year and to the date of this report are shown on page 3. All Trustees have a full induction and are regularly updated on the operational running of the Foundation.

Annually the Trustees complete a skills matrix and self-evaluation which enables the charity to review the skills and experience and identify any potential gaps and an opportunity for individual Trustees to evaluate their own input into the work of the foundation.

We identified geographical gaps and representation from the diversity of our region, following an open recruitment drive we are extremely proud that our board is now balanced in terms of age, gender, geography, and diversity.

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1.3 Board Subcommittees

The Foundation has four main sub-committees:

Finance and Investment Committee, responsible for:

- Budgets and overseeing investment performance.
- Quarterly investment returns and endowment performance.
- Comparison of Investment Managers
- Maximisation of interest rate returns
- Reviewing investment strategy
- Annual meetings with all 3 Investment Managers
- Reviewing asset class investments
- Considering appropriate avenue for unrestricted core income
- Reviewing quarterly management accounts
- Analysing forecast against actual performance
- Monitoring and review finance resources

Management Committee, responsible for:

- Management of governance and operational risks
- Approval of new and revisions to policies and procedures
- Maintaining oversight of the risk register
- Maintaining oversight of the charity's operations
- Oversight and monitoring of operational projects and programmes
- Maintaining oversight of operational decision making on HR changes include-disciplinaries, performance management and recruitment.
- Approval of formal HR changes such as staffing re-structures.
- Approval of pay awards as the charity's remuneration committee.
- Approval of recommendations for new tenders/contracts and grant programmes in line with the delegation of authority policy.

Grant Sub-Committees, responsible for:

- responsible for decision making on non-donor-directed funds across all of our areas of benefit including:
- Strategic overview of grant making to ensure equitable and fair distribution of funds.
- Profiling annual grant budgets.
- Review of impact of grants awarded.

We have two independent decision-making committees, the Coventry, Solihull and Warwickshire Panel and the Birmingham and Black Country Panel. Both panels have representation from key stakeholders, community activists, and chaired by a Foundation Trustee.

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1.3 Board Subcommittees (continued)

Throughout the global pandemic, we adapted the way we worked to ensure communities could access vital funds quickly and efficiently. However, making weekly awards was not a sustainable model but learning from the pandemic we are committed to reducing turnaround times on applications and simplifying the application process for applicants.

The Trustees would like to thank our fantastic volunteers who give their valuable time and commitment to support our decision making.

1.4 Business Planning

In 2020, we refreshed our vision and mission, together with our Senior Management Team we set our strategy and operational plan for the next 3 years.

The Foundation understands that societal needs are ever changing, so its vitally important we continually sense check and ensure we are fit for purpose for the communities we serve.

Our over-arching strategic aims are:

- Deliver accessible, inclusive, and flexible funding.
- Maintain strong relationships with our donors to ensure we retain their investment to improve lives in the region.
- Continually seek to attract new donors to increase our social investment within the West Midlands and Warwickshire
- To be an equitable, diverse, and inclusive funder
- Strengthen our existing finance, governance, and leadership to ensure donor trust and confidence in the charity's sustainability and longevity.

We set ourselves some clear ambitions in 2021-22, including:

- Improving our customer journey
- Externally evaluating our work
- Pass Quality Accreditation 5

Improving our customer journey - we manage a range of grant programmes and often an organisation may wish to apply to more than one fund. This takes time in terms of multiple form filling, uploading policies for each submission which is time consuming for voluntary organisations.

We introduced our 'single front door' in late 2021, this enables organisations to apply for the funding they need and the foundation 'matches' it with potential donors. This was an extensive piece of work with associated costs but demonstrates our commitment to deliver accessible funding. We are gradually transferring our programmes to the single front door,

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1.4 Business Planning (continued)

but we are unable to do this for all programmes due to some of the complexity and priorities of specific funds.

Externally evaluating our work - we commissioned Forever Consulting to prepare a place-based analysis of the West Midlands and Warwickshire communities and to evaluate the impact of the last three years of grant making within the context of this. We excluded the pandemic year as this would not have truly reflected our grant making due to the unprecedented amount of funding, we distributed on behalf of the National Emergencies Trust and Department for Culture, Media and Sport.

Our objective was to better understand the communities we serve; use this intelligence to shape and prioritise our work; and to support informed conversations with communities, donors, funders, and other partners. The decision to take a place-based approach rather than an issue-based approach was intentional; recognising communities exist in places; allowing an holistic approach to regarding any given place; and recognising that each place and its resident communities are unique.

Our priority was to create a narrative about our places rooted in evidence, but telling the stories of our communities, highlighting the areas where we can support change. We also wanted to reflect the positive features of our places, so we embedded an asset and strengths-based approach to understand the communities, the opportunities, and their needs.

The report has enabled us to set clear priorities on the funds we manage and identify gaps in reach and communities of interest.

The executive summary is available on our website but some key headlines:

- For every £1 a donor gives, we redistribute 93p back into our communities
- 52% of our funds were invested in the 20% most disadvantaged areas across our region
- Our communities told us they wanted opportunities to strengthen positive connections with communities, activities which bring communities together and opportunities to connect with nature and the outdoors
- Two-thirds of our funding have supported projects which address Stronger Communities, Health and Well-being, Employment and Training and Arts, Culture and Heritage
- We have awarded £9.6m to support 2108 projects

The foundation now has the tools to undertake an impact report each year which will support our priorities for the following year and provide an evidence base for both new and existing donors.

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1.4 Business Planning (continued)

The report has also identified untapped wealth across Warwickshire and Solihull which will be a focus for fund development for the Foundation this year.

Quality Accreditation 5 - as part of the UKCF network, quality accreditation is undertaken every 3 years. It is a complex, evidenced based process but provides an excellent opportunity to sound check the way we work, our governance, policies, procedures, board, and future planning.

As a foundation, we were delighted not just to pass but receive a number of 'exemplary' scores against our 3-year financial pipeline, our published strategy, operational and business planning, and our board composition in terms of age, gender and diversity.

1.5 Risk Management

The principal identified risks to which the Foundation are exposed are integrated into the business plan to ensure they are regularly reviewed. The Foundation also maintains a risk register which is reviewed on a quarterly basis by the Management Committee.

As part of QA5 and in light of the pandemic, we have reviewed and amended our risk register accordingly, the risks are predominantly the same but in particular loss of income and loss of tenants in our commercially rented barns have been rated higher.

1.6 Pay Policy for Senior Staff

The Trustees consider the senior management team to comprise the key personnel of the Charity in charge of directing, running, and operating the Charity on a day-to-day basis. The pay of senior staff is reviewed annually by the Management Committee and is based on performance and average earnings across the sector.

1.7 Fundraising Regulator Statement of Compliance

Heart of England Community Foundation does not contract to a third party to undertake any fundraising on its behalf. The charity does employ a Marketing Manager who initiates campaigns and supports fundraising activities. We have received no fundraising complaints during the year.

The charity only makes fundraising approaches to contacts who have given explicit consent to receive such campaign documentation under GDPR guidelines.

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2. Achievements and Financial Performance for 2021-22.

We feel incredibly fortunate that post pandemic we have continued to secure new donors who want to invest in our communities at a local level.

This year we secured two new partnerships with individual donors who live in our region and want to support a range of community activity. We would like to thank Mr David East and Mr Graham Griffiths for choosing to work with us to support their local giving.

We have also been successful in developing relationships with both Warwickshire County Council and West Midlands Combined Authority.

We delivered a £1 million Social Impact Capital Programme in partnership with Warwickshire County Council (WCC). The timescales were tight so WCC commissioned the Foundation to deliver the programme on their behalf, as we have the systems in place and an exceptional knowledge of the voluntary and community sector across Warwickshire.

We were successful in tendering to work in partnership with West Midlands Combined Authority (WMCA), supporting them to deliver Community Green Grants aimed at the voluntary and community sector across the whole of the West Midlands Combined Authority area. In our own evaluation, communities want more green spaces, more funding to support environmental projects so we are delighted to be working in partnership with WMCA which addresses environmental impacts, biodiversity and creating green spaces in urban areas.

We have also developed new partnerships with Jaguar Land Rover Limited, managing their employee giving schemes at two major plants in the West Midlands. We support their employees by highlighting great community projects within a 10mile radius of both sites.

Solihull Metropolitan Borough Council have continued to work in partnership with us, increasing their investment on the wellbeing fund but also partnering with us to deliver a programme that celebrates the Commonwealth Games.

We have been successfully delivering a Neighbourhood Network Scheme grant programme on behalf of Birmingham City Council over the last two years. Focusing on two specific constituencies, the aim of the programme is to reduce the adult social care bill and support the alleviation of loneliness and isolation. We work in collaboration with a number of local assets this year we submitted a tender to continue and have been successful with a five-year programme.

Sustainability can be difficult for a charity who independently raises its own income, therefore, securing a programme for five years offers the foundation some financial stability for a considerable period of time, our thanks to Birmingham City Council.

We have also partnered with Mayflex UK Ltd to target their giving to specific areas of Birmingham, we hope this partnership flourishes over time.

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2. Achievements and Financial Performance for 2021-22. (continued)

Although Coventry City of Culture has now ended, we hope to be part of the legacy and are in active discussions with the City of Culture Trust.

Key Performance Measures

We are delivering on our 3-year strategy and operational plans, quarterly progress reports are discussed at Management Committee and reported on at Full Trustee Board.

Human Resources

The Foundation continues to grow steadily so we must ensure we have the resource to deliver exceptional services on behalf of our donors. We have recruited an additional two grants' officers on a full and part time basis.

Incoming Resources

The Foundation's total incoming resources for 2021-22 were £4,190,592 and the overall funds of the foundation increased by £1,162,589 to £21,467,356.

Endowed Donations

We continue to work with a Birmingham based charity who are transferring their assets to us this year. The charity is aligned with the values and mission of the Foundation, and we look forward to working with the Trustees on developing their new fund within our portfolio.

Setting up a charitable foundation or legacy can be complex, bureaucratic, and expensive but working with the foundation makes the process significantly simpler.

Our fund development focus is on endowment growth this year and we are planning several events to raise our profile and highlight the philanthropic services we can offer to potential donors.

Investments

The Foundation's investment policy, updated and reviewed every three years, is for a balanced portfolio which produces reasonable income for grant making whilst growing the value of the assets to protect them against the effects of inflation or other defining factors in the longer term. This is considered a relatively low risk approach.

Our stock market investments are managed by Quilter Cheviot, CCLA and Rathbones. Performance is bench marked against the FTSE APCIMS (Association of Private Client Investment Managers) Index.

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2. Achievements and Financial Performance for 2021-22. (continued)

Investment performance over the 12-month period ending 31st March 2022 was materially impacted by equity market volatility linked to the COVID-19 pandemic. Prior to the aggressive sell-off we saw in February and March 2020 global capital markets had been broadly positive, recovering the losses made.

Grants

The total grant income for 2021-22 was £3,185,441 which was a decrease of £2,912,630 from the previous fiscal year. Our total grant expenditure was £3,255,917 and a full report on the foundation's discretionary grant making will be available on our website.

Restricted Core Income

Restricted core income in 2021-22 was £59,305 compared to £223,602 in the previous fiscal year. This decrease is due to the completion of our grant programme from National Lottery Communities Fund, European Social Fund, Building Better Opportunities.

Unrestricted Core Income

Our unrestricted core income this year is derived from several sources, our investments, general donations, and our commercially rented properties. The delivery of programmes on behalf of donors such as Wesleyan Assurance, Coventry Building Society, West Midlands Combined Authority and Birmingham City Council supports our operating costs.

The balance of our unrestricted income is, at present, used to meet core expenditure which is not covered by restricted income. Unrestricted income for 2021-22 was £447,222 compared with £482,752 in the previous fiscal year.

We are eternally grateful to all of the donors who choose to work with us but a huge thank you to 29th May 1961 Charitable Trust for their annual unrestricted donation.

Considering the concerns post pandemic, we are proud that the Foundation has secured new donors, continues to work with our existing donors who share our passion for the communities we serve.

Expenditure

The Foundation made an operating gain on unrestricted general funds of £3,256 which compares with a budgeted loss for the year of £103,717 and an operating loss in the previous year of £143,770.

Designated Funds

Our designated funds as of 31st March 2022 totalled £1,321,127. These include the current value of £737,805 from the Youell Legacy plus funds of £583,322 for the delivery of grant programmes in 2022-2023, which are not regarded as free reserves by the Trustees.

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3. Reserves Policy

A considerable part of the Foundation's income is derived from unrestricted core donations of which there is no certainty and management fees for the delivery of flow through grant programmes which are usually time bound. The Trustees believe it to be necessary to retain sufficient free reserves to maintain the Foundation operationally between the times such schemes end, and new programmes come on board. New funding streams are often subject to competitive tendering and cannot be relied upon with certainty. Free reserves must also be retained to cover statutory obligations to our staff should that prove necessary.

It is therefore the policy of the Foundation to maintain, always, free reserves of no less than the equivalent of six months core (support and governance) costs. At the 31 March 2022, total reserves were £21,467,356 of which endowed funds were £16,857,974 and restricted funds were £2,677,095. Of the remaining unrestricted funds totalling £1,932,287, £1,321,127 has been designated by Trustees. The actual free reserves at the end of the fiscal year equate to £611,160. However, £273,252 of these free reserves represent non-liquid fixed assets. The balance of £337,908 is 7.7 months of budgeted core costs for 2022-23.

4. Trustees' Responsibilities Statement for Charitable Companies

The Trustees (who are also Directors of the Heart of England Community Foundation for the purposes of company law) are responsible for the preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare Financial Statements for each fiscal year, which give a true and fair view of the of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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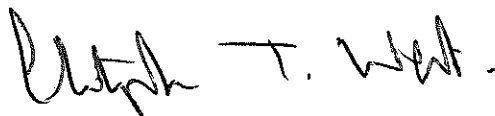
4. Trustees' Responsibilities Statement for Charitable Companies (continued)

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

5. Auditors

A resolution to re-appoint Dafferns LLP as the Charity's auditor will be proposed at the forthcoming Annual General Meeting. The report of the Trustees has been prepared taking advantage of the small companies' exemption in the Companies Act 2006. This report was approved by the Board of Trustees and authorised for issue on 5th October 2022 and is signed on its behalf by:



Chris West
Chair

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE HEART OF ENGLAND COMMUNITY FOUNDATION
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Opinion

We have audited the financial statements of The Heart of England Community Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 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 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve 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.

[continued ...]

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE HEART OF ENGLAND COMMUNITY FOUNDATION
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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. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 directors' 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 directors' 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 directors' report and from the requirement to prepare a strategic report.

[continued ...]

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
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Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 14 & 15, 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 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.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

[continued ...]

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation, (i.e. gives a true and fair view)


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[continued ...]

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)**

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.

Signed:..... 
Geoffrey Cox BA FCA (Senior Statutory Auditor)

For and on behalf of Dafferns LLP,
Chartered Accountants, Registered Auditors
One Eastwood, Harry Weston Road
Binley Business Park, Coventry, CV3 2UB

Date 5 October 2022

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 | Unrestricted | | Restricted Funds | | 2022 |
|--|-----------------|------------------|------------------|------------------|----------------------|-------------------|
| | | General Funds | Designated Funds | Core Costs | Distributable Grants | |
| | £ | £ | £ | £ | £ | £ |
| Income and Endowments | | | | | | |
| Donations and legacies | 351,266 | 42,035 | 59,170 | 3,185,441 | 116,618 | 3,754,530 |
| Rental Income | 88,668 | 0 | 0 | 0 | 0 | 88,668 |
| Investment Income | 0 | 0 | 0 | 0 | 339,971 | 339,971 |
| Bank interest | 4,938 | 0 | 135 | 0 | 0 | 5,073 |
| Other Income | 2,350 | 0 | 0 | 0 | 0 | 2,350 |
| Total Income and Endowments | 447,222 | 42,035 | 59,305 | 3,185,441 | 456,589 | 4,190,592 |
| Expenditure | | | | | | |
| Raising Funds | 40,825 | 0 | 0 | 0 | 0 | 40,825 |
| Investment Management Costs | 0 | 4,532 | 0 | 0 | 54,871 | 59,403 |
| Charitable Activities - Grants | 0 | 57,599 | 0 | 3,255,917 | 0 | 3,313,516 |
| Charitable Activities - Support costs | 466,588 | 0 | 58,971 | 115 | 0 | 525,674 |
| Big Lottery Fund, European Social Fund, Building Better Opportunities Partners | 0 | 0 | 0 | 0 | 0 | 0 |
| Governance | 10,560 | 0 | 0 | 0 | 0 | 10,560 |
| Total Expenditure | 517,973 | 62,131 | 58,971 | 3,256,032 | 54,871 | 3,949,978 |
| Net Gain/(loss) on investment assets | 0 | 59,911 | 0 | 0 | 862,064 | 921,975 |
| Net Income/(expenditure) | (70,751) | 39,815 | 334 | (70,591) | 1,263,782 | 1,162,589 |
| Transfers between funds | 74,007 | (4,015) | 0 | 260,648 | (330,640) | 0 |
| Net Movement in Funds | 3,256 | 35,800 | 334 | 190,057 | 933,142 | 1,162,589 |
| Funds at 31 March 2021 | 607,904 | 1,285,327 | 32,867 | 2,453,837 | 15,924,832 | 20,304,767 |
| Funds at 31 March 2022 | 611,160 | 1,321,127 | 33,201 | 2,643,894 | 16,857,974 | 21,467,356 |

Note: For Companies Act purposes the surplus for the year (excluding the net movement of Endowment Funds) was £229,447 (2021 deficit for the year was : £2,309,726). There were no discontinued activities during the year. The Statement of Financial Activities includes all gains and losses recognised during the year. Prior year comparatives are shown on page 22, please continue overleaf.

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | Unrestricted Funds | | Restricted Funds | | Total 2021 £ |
|---|-------|-----------------------|--------------------------|--------------------|------------------------------|--------------------|
| | | General Funds £ | Designated Funds £ | Core costs £ | Distributable grants £ | |
| Income and Endowments | | | | | | |
| Donations and legacies | 2 | 375,259 | 65,355 | 223,008 | 6,098,071 | 7,005,833 |
| Rental Income | | 85,183 | 0 | 0 | 0 | 85,183 |
| Investment Income | | 0 | 0 | 0 | 0 | 300,993 |
| Bank Interest | | 7,226 | 0 | 594 | 0 | 7,820 |
| Other income | | 15,084 | 5,213 | 0 | 0 | 20,297 |
| Total Income and Endowments | | 482,752 | 70,568 | 223,602 | 6,098,071 | 7,420,126 |
| Expenditure | | | | | | |
| Raising Funds | 3 | 62,276 | 0 | 0 | 0 | 62,276 |
| Investment Management Costs | | 0 | 4,420 | 0 | 0 | 54,966 |
| Charitable Activities - Grants | 4 | 0 | 0 | 0 | 8,067,313 | 8,067,313 |
| Charitable Activities - Support costs | | 443,377 | 0 | 192,713 | 11,196 | 647,286 |
| Big Lottery Fund, European Social Fund, Building Better Opportunities Partners | | 0 | 0 | 0 | 353,820 | 353,820 |
| Governance | 8 | 11,040 | 0 | 0 | 0 | 11,040 |
| Total Expenditure | | 516,693 | 4,420 | 192,713 | 8,432,329 | 9,196,701 |
| Net Gain/(loss) on investment assets | 11 | 0 | 135,498 | 0 | 0 | 2,712,726 |
| Net Income/(expenditure) | | (33,941) | 201,646 | 30,889 | (2,334,258) | 936,151 |
| Transfers between funds | | (109,829) | 253,172 | (239,545) | (77,860) | 0 |
| Net Movement in Funds | | (143,770) | 454,818 | (208,656) | (2,412,118) | 936,151 |
| Funds at 31 March 2020 | | 751,674 | 830,509 | 241,523 | 4,865,955 | 19,368,616 |
| Funds at 31 March 2021 | | 607,904 | 1,285,327 | 32,867 | 2,453,837 | 20,304,767 |

HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee) Company Registration no. 5999452

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 31 March 2022 | 31 March 2021 |
|--|-------|-------------------|-------------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible fixed assets | 10 | 1,472 | 5,717 |
| Investments | | | |
| Investment properties | 11 | 1,005,000 | 1,005,000 |
| Listed Investments | 11 | 15,716,627 | 14,283,643 |
| Cash at Investment Managers | | <u>388,681</u> | <u>348,414</u> |
| | | 17,110,308 | 15,637,057 |
| | | <u>17,111,780</u> | <u>15,642,774</u> |
| Current Assets | | | |
| Cash at Bank and in hand | | 5,391,099 | 5,082,736 |
| Debtors | 12 | <u>223,266</u> | <u>180,818</u> |
| | | 5,614,365 | 5,263,554 |
| Creditors: amounts falling due within one year | 13 | <u>1,258,789</u> | <u>601,561</u> |
| Net Current Assets | | 4,355,576 | 4,661,993 |
| Net Assets | | <u>21,467,356</u> | <u>20,304,767</u> |
| Funds of the Charity | | | |
| Capital Funds | | | |
| Endowment Funds | 14 | 16,857,974 | 15,924,832 |
| Income Funds | | | |
| Restricted Funds | 15 | 2,677,095 | 2,486,704 |
| Unrestricted Funds (Designated) | 16 | 1,321,127 | 1,285,327 |
| Unrestricted Funds (General) | | <u>611,160</u> | <u>607,904</u> |
| Total unrestricted Funds | | 1,932,287 | 1,893,231 |
| Total Funds | | <u>21,467,356</u> | <u>20,304,767</u> |

These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the trustees and authorised for issue on 5th October 2022 and are signed on their behalf by

Chris West - Chairman



Michelle Vincent- Trustee



HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 £ | | 2021 £ |
|---|-------|------------------|--|--------------------|
| Cashflow from operating activities | 18 | 309,309 | | (2,009,156) |
| Net cash flow from operating activities | | <u>309,309</u> | | <u>(2,009,156)</u> |
| Cash flow from investing activities | | | | |
| Payments to acquire investments | 11 | (2,392,437) | | (2,142,406) |
| Receipts from sales of investments | 11 | 1,881,428 | | 1,719,515 |
| Interest received | | 5,073 | | 7,820 |
| Dividends received | | 339,971 | | 300,993 |
| Rents received from investment properties | | 88,668 | | 85,183 |
| Net cash flow from investing activities | | <u>(77,297)</u> | | <u>(28,895)</u> |
| Cash flow from financing activities | | | | |
| Receipt of permanent endowments | | 116,618 | | 193,594 |
| Net cash flows from financing activities | | <u>116,618</u> | | <u>193,594</u> |
| Net Increase/(decrease) in cash and cash equivalents | | 348,630 | | (1,844,457) |
| Cash and cash equivalents at 1 April 2021 | | 5,431,150 | | 7,275,607 |
| Cash and cash equivalents at 31 March 2022 | | <u>5,779,780</u> | | <u>5,431,150</u> |
| Cash and cash equivalents consist of: | | | | |
| Cash at bank and in hand | | 5,391,099 | | 5,082,736 |
| Short term deposits | | 388,681 | | 348,414 |
| Cash and cash equivalents at 31 March 2022 | | <u>5,779,780</u> | | <u>5,431,150</u> |

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

1. Accounting policies

Basis of preparation

Heart of England Community Foundation is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to act as a conduit for philanthropy, linking private and public funders with small community projects across the county of West Midlands.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods commencing on or after 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and after performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Reports.

For legacies entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

1. Accounting policies (continued)

Incoming Resources (continued)

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Foundation.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance costs. Overhead and support costs relating to charitable activities have been apportioned on a basis consistent with the use of resources.

Charitable activities

Costs of charitable activities include grants made and support costs as shown in note 5.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Fundraising Costs

Fund-raising costs are those which are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

The analysis of these costs is included in note 3.

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

1. Accounting policies (continued)

Endowment funds

These funds include expendable endowments which arose from grants and donations given specifically to be held as capital unless the trustees resolve they may be spent. It is the intention of the trustees that these funds be maintained for the foreseeable future. Grants are funded from the income generated from the capital investments. There can be an initial period of income accumulation in accordance with the donor's wishes.

Restricted funds

These funds are received for specific purposes set by the grant funders or donors. These include funds received to enable grants to be paid to beneficiaries and meet the cost of projects and, in addition, funds received towards the Foundation's operating costs in managing those grants and projects.

Designated funds

These funds are unrestricted funds set aside by the trustees for specific purposes.

Investments

Investments in listed securities and properties are shown on the balance sheet at their open market value. Profits and losses on sales of investments and the movements in market value are taken to the Statement of Financial Activities. Property in course of construction is valued at cost.

Fixed assets and depreciation

No depreciation is provided against the cost of land. Operational assets costing less than £1,000 are written off in full through the Statement of Financial Activities in the year of purchase. Depreciation is provided by the Foundation to write off the cost less the estimated residual value of other operational fixed assets by equal instalments over their useful economic lives as follows:

Office and computer equipment - 4 years

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised in expenditure.

Pension schemes

The charity operates defined contribution pension schemes. Contributions payable in the year are charged in the Statement of Financial Activities.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

1. Accounting policies (continued)

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

Other financial assets, including investments in equity instruments and which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss.

Financial liabilities

Basic financial liabilities, including trade and other payables, and bank loans that are classified as debt are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

2. Donations and Legacies

Donors contributed to the following restricted funds during the period:

| | Core Costs £ | Distributable Grants £ | Total 2022 £ | Total 2021 £ |
|--|--------------------|------------------------------|--------------------|--------------------|
| 29th May 1961 Charitable Trust | 0 | 16,500 | 16,500 | 16,000 |
| Alan Edward Higgs Fund | 0 | 330,787 | 330,787 | 10,000 |
| Birmingham Funds | 0 | 0 | 0 | 2,250 |
| Birmingham Mail Charity Fund | 0 | 0 | 0 | 21,327 |
| Bullring and Grand Central Fund | 0 | 1,800 | 1,800 | 20,000 |
| Big Lottery Fund, European Social Fund, Building Better Opportunities | 0 | 0 | 0 | 332,584 |
| Community Energy Warwickshire | 0 | 6,918 | 6,918 | 5,552 |
| Coronavirus Resilience Fund | 0 | (40) | (40) | 340,332 |
| Coventry 2021 Coronavirus Resilience Fund | 0 | 0 | 0 | 60,000 |
| Coventry Building Society | 0 | 70,000 | 70,000 | 73,647 |
| Coventry City of Culture Fund | 0 | 90,000 | 90,000 | 0 |
| DCS NET fund | 0 | 0 | 0 | 1,076,711 |
| Deutsche Bank | 0 | 31,500 | 31,500 | 13,500 |
| Edgbaston Emergency Food & Essential Supplies Fund | 0 | 2,860 | 2,860 | 70,000 |
| Esme Fairbairn Foundation | 0 | 56,250 | 56,250 | 0 |
| GB Partnership | 0 | 0 | 0 | 11,160 |
| Graham Griffiths Fund | 0 | 115,000 | 115,000 | 0 |
| Harrison Beale & Owen | 0 | (5) | (5) | 250 |
| Heart of England | 0 | 25,000 | 25,000 | 0 |
| Helping Hearts | 0 | 50,000 | 50,000 | 20,000 |
| High Sheriff of Warwickshire | 0 | 31,009 | 31,009 | 600 |
| JLR Solihull Employees Charity Fund | 0 | 56,861 | 56,861 | 0 |
| Leamington Fund | 0 | 3,293 | 3,293 | 6,374 |
| Made by Sport | 0 | 9,746 | 9,746 | 239,835 |
| Mayflex UK Ltd | 0 | 9,200 | 9,200 | 0 |
| National Emergency Trust | 0 | 0 | 0 | 2,459,317 |
| NET BAME | 0 | 0 | 0 | 81,839 |
| NNS Birmingham City Council | 0 | 287,000 | 287,000 | 400,000 |
| NNS Food Bank | 0 | 100,000 | 100,000 | 0 |
| NNS Track and Trace | 0 | 50,000 | 50,000 | 0 |
| Northfield Emergency Assistance Food and Essential Supplies | 0 | 0 | 0 | 70,000 |
| Orbit First Year Tenancy | 0 | 49,000 | 49,000 | 0 |
| Orbit Hardship fund | 0 | 172,727 | 172,727 | 0 |
| PSA Peugeot Citroen | 59,170 | 0 | 59,170 | 55,299 |
| Pedimore | 0 | 27,000 | 27,000 | 27,000 |
| Positive futures | 0 | 45,000 | 45,000 | 45,000 |
| QC Foundation Fund | 0 | 0 | 0 | 23,383 |
| Balance Carried forward | <u>59,170</u> | <u>1,637,406</u> | <u>1,696,576</u> | <u>5,481,960</u> |

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

2. Donations and Legacies (continued)

| | Core Costs £ | Distributable Grants £ | Total 2022 £ | Total 2021 £ |
|---------------------------------|----------------------|------------------------------|-------------------------|-------------------------|
| balance brought forward | 59,170 | 1,637,406 | 1,696,576 | 5,481,960 |
| SEGRO | 0 | 0 | 0 | 41,501 |
| Solihul Celebrating Communities | 0 | 121,440 | 121,440 | 0 |
| Stellantis Employee Fund | 0 | 21,004 | 21,004 | 0 |
| The David East Fund | 0 | 91,840 | 91,840 | 0 |
| Tipton Education fund | 0 | 10,800 | 10,800 | 10,800 |
| Torrington House fund | 0 | 579 | 579 | 0 |
| UKCF Co-op Fund | 0 | 0 | 0 | 85,303 |
| Warwickshire County Council | 0 | 1,000,000 | 1,000,000 | 0 |
| Wesleyan | 0 | 50 | 50 | 494,445 |
| Solihull Winter Wellbeing | 0 | 302,322 | 302,322 | 184,070 |
| Love My Keresley Community | 0 | 0 | 0 | 23,000 |
| | <u>59,170</u> | <u>3,185,441</u> | <u>3,244,611</u> | <u>6,321,079</u> |

Donations in kind

During the financial year PSA Peugeot Citroen (Stellantis) again provided office accommodation and facilities free of charge to the Foundation. The estimated value of these benefits is £59,170 (2021: £55,299) has been reflected in the Statement of Financial Activities as gifts and as support costs within the restricted core cost fund.

3. Fundraising Costs

| | Unrestricted £ | Restricted £ | Total 2022 £ |
|-------------|-------------------|-----------------|--------------------|
| Staff Costs | 40,825 | 0 | 40,825 |
| | <u>40,825</u> | <u>0</u> | <u>40,825</u> |
| | Unrestricted £ | Restricted £ | Total 2021 £ |
| Staff Costs | 62,276 | 0 | 62,276 |
| | <u>62,276</u> | <u>0</u> | <u>62,276</u> |

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

4. Grants

| | Total 2022 £ | Total 2021 £ |
|----------------|-----------------------------|-----------------------------|
| Grants awarded | <u>3,313,516</u> | <u>8,067,313</u> |

For full details of grants awarded during the year please visit our website to download our 'Grants Making & social Investment Report 2021/22' at www.heartofenglandcf.co.uk

Grants awarded were wholly attributable to restricted funds in both the current and preceding year.

5. Support Costs

Items marked * are based on actual expenses, all others are pro-rated based on salary spread.

| | Grants £ | Administration £ | Fundraising £ | 2022 £ |
|--|---------------------|-----------------------------|--------------------------|-------------------|
| Staff costs (see note 6)* | 153,093 | 200,697 | 0 | 353,790 |
| Recruitment* | 544 | 840 | 171 | 1,555 |
| PR and advertising | 7,406 | 11,426 | 2,328 | 21,160 |
| Training and conferences | 173 | 267 | 54 | 494 |
| Subscriptions* | 0 | 9,872 | 0 | 9,872 |
| Travel and Subsistence | 1,582 | 2,441 | 497 | 4,520 |
| staff welfare | 261 | 403 | 82 | 746 |
| Meetings | 299 | 457 | 94 | 850 |
| Printing and stationary | 360 | 556 | 113 | 1,029 |
| Postage and telephone | 2,219 | 3,424 | 697 | 6,340 |
| Office equipment | 10,203 | 15,742 | 3,207 | 29,152 |
| Legal costs | 343 | 529 | 108 | 980 |
| Professional Fees* | 0 | 24,821 | 0 | 24,821 |
| Rent and rates * | 0 | 4,337 | 0 | 4,337 |
| Fixed asset depreciaton | 1,486 | 2,293 | 467 | 4,246 |
| Office accommodation and Facilities (see note 2) | 20,709 | 31,952 | 6,509 | 59,170 |
| Sundry expense* | 0 | 791 | 0 | 791 |
| Insurance | 637 | 984 | 200 | 1,821 |
| | <u>199,315</u> | <u>311,832</u> | <u>14,527</u> | <u>525,674</u> |

The Support costs are incurred from the following funds

| | | |
|---------------------------|---|----------------|
| Unrestricted General Fund | £ | 466,588 |
| Restricted Core Fund | | 58,971 |
| Restricted Grant Fund | | 115 |
| | | 525,674 |

THE HEART OF ENGLAND COMMUNITY FOUNDATION
(A company limited by guarantee)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2022

6. Staff Numbers and Costs

The average number of persons employed by the Foundation during the period was 11 (2021: 16), the full -time equivalent number of employees was 9.5 (2021: 14.5) and the aggregate payroll costs were as follows:

| | Total 2022 £ | Total 2021 £ |
|--------------------------------|-----------------------------|-----------------------------|
| Salaries | 333,555 | 457,594 |
| Redundancy costs | 0 | 1,614 |
| Casual staff costs | 20,530 | 0 |
| Social security costs | 29,000 | 40,363 |
| Other pension costs | <u>11,529</u> | <u>12,839</u> |
| | <u>394,614</u> | <u>512,410</u> |
| Support costs (see note 5) | 353,789 | 450,134 |
| Fundraising costs (see note 3) | <u>40,825</u> | <u>62,276</u> |
| | <u>394,614</u> | <u>512,410</u> |

The number of employees earning over £60,000 per year (including benefits) in the period is as follows

| | 2022 No. | 2021 No. |
|-------------------|-------------|-------------|
| £70,001 - £80,000 | <u>1</u> | <u>1</u> |

7. Trustees' and key management personnel remuneration and expenses

The charity considers its key management personnel as Tina Costello.

The total amount of employee benefits (including employers NI) received by key management personnel is £81,649 (2021: £81,777).

The Trustees did not receive any remuneration during the year (2021: £nil). No expenses were claimed during the year, (2021: J Koasha claimed £23).

7.1 Third party related transactions

The charity paid £8,444 (2021: £4,843) to Adecs Limited, a company related to Amrik Bhabra, a Trustee, for IT services. The charity paid £476 (2021: £3,081) to Wright Hassall LLP, a company related to Lucie Byron. The charity paid £150 (2021: £0) to Black Country Chamber of Commerce, an organisation related to Calum Nisbet. The charity paid £7,090 (2021: £0) to Mission Diverse CIC, a company related to Cleo Morris.

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8. Governance Costs

| | Unrestricted | Restricted | Endowment | Total 2022 | Total 2021 |
|----------------------|---------------|------------|-----------|---------------|---------------|
| | £ | £ | £ | £ | £ |
| Statutory audit fees | 10,560 | 0 | 0 | 10,560 | 11,040 |
| | <u>10,560</u> | <u>0</u> | <u>0</u> | <u>10,560</u> | <u>11,040</u> |

The auditors remuneration amount to an audit fee of £10,320 (2021: £10,800) and other services of £240 (2021: £240).

9. Transfer between funds

| | General | Designated | Core costs | Distributable grants | Endowment funds |
|--|---------------|----------------|------------|-------------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Endowment income | 129,992 | 0 | 0 | 200,648 | (330,640) |
| Trustee allocation of unrestricted surplus to grant pots | (70,000) | 0 | 0 | 70,000 | 0 |
| Transfer of discretionary fund for running costs | 4,015 | (4,015) | 0 | 0 | 0 |
| Transfer of Young at Heart Fund to unrestricted | 10,000 | 0 | 0 | (10,000) | 0 |
| | <u>74,007</u> | <u>(4,015)</u> | <u>0</u> | <u>260,648</u> | <u>(330,640)</u> |

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10. Tangible Fixed Assets

| | Computer Equipment £ | Total 2022 £ | Total 2021 £ |
|------------------------------|----------------------------|--------------------|--------------------|
| Cost | | | |
| 1 April 2021 | 25,893 | 25,893 | 25,893 |
| Additions | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| 31 March 2022 | <u>25,893</u> | <u>25,893</u> | <u>25,893</u> |
| Depreciation | | | |
| 1 April 2021 | 20,176 | 20,176 | 15,929 |
| Charge for year | 4,245 | 4,245 | 4,247 |
| 31 March 2022 | <u>24,421</u> | <u>24,421</u> | <u>20,176</u> |
| Net Book value 31 March 2022 | <u>1,472</u> | <u>1,472</u> | <u>5,717</u> |

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11. Fixed Asset Investments

11.1 Listed Investments

| | Managed by Quilter £ | Managed by CCLA £ | Managed by Rathbones £ | Total 2022 £ | Total 2021 £ |
|--|----------------------------|-------------------------|------------------------------|--------------------|--------------------|
| Market value at 1 April 2021 | 4,119,234 | 5,422,983 | 4,741,426 | 14,283,643 | 11,148,026 |
| Additions at cost | 1,438,941 | 601,619 | 351,877 | 2,392,437 | 2,142,406 |
| Disposal proceeds | (1,375,718) | 0 | (505,710) | (1,881,428) | (1,719,515) |
| Gains/(losses) | 44,888 | 506,132 | 370,955 | 921,975 | 2,712,726 |
| Market value at 31 March 2022 | <u>4,227,345</u> | <u>6,530,734</u> | <u>4,958,548</u> | <u>15,716,627</u> | <u>14,283,643</u> |
| Historical cost | <u>3,788,039</u> | <u>4,744,095</u> | <u>3,878,919</u> | <u>12,411,053</u> | <u>11,784,370</u> |
| Investments over 5% of portfolio value | | | | | |
| COIF Charities investment fund | <u>0</u> | <u>3,349,399</u> | <u>0</u> | <u>3,349,399</u> | <u>3,081,980</u> |
| Listed Investments at fair value comprise | | | | | |
| Equities | 2,525,194 | 5,386,053 | 3,599,257 | 11,510,504 | 10,155,939 |
| Securities | <u>1,702,151</u> | <u>1,144,681</u> | <u>1,359,291</u> | <u>4,206,123</u> | <u>4,127,704</u> |
| | <u>4,227,345</u> | <u>6,530,734</u> | <u>4,958,548</u> | <u>15,716,627</u> | <u>14,283,643</u> |

The fair value of listed investments is determined by reference to the mid-market quoted price from F.T. Interactive Data at the balance sheet date.

11.2 Investment properties

| | Small Barn £ | Large Barn £ | Total 2022 £ | Total 2021 £ |
|-----------------|-----------------|-----------------|--------------------|--------------------|
| Valuations | | | | |
| 1 April 2021 | 155,000 | 850,000 | 1,005,000 | 1,005,000 |
| Gains/(losses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 31 March 2022 | <u>155,000</u> | <u>850,000</u> | <u>1,005,000</u> | <u>1,005,000</u> |
| Historical cost | <u>90,511</u> | <u>908,650</u> | <u>999,161</u> | <u>999,161</u> |

Two barn buildings and the land they stand on were donated to the Foundation for development into office buildings for letting when complete. The original value of the underdeveloped land and properties donated was estimated by the Trustees at £85,000.

Both barns were revalued at 31 March 17 on 23 May 2017 by Peter Holt MRICs and David Holt FRICS of D&P Holt, Chartered Surveyors on the basis of fair value. The Trustees have considered the impact of COVID 19 on the valuation of the investment properties, and whilst not every affect can be anticipated, are satisfied that there is no impairment to the value of the properties at the year end date.

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12. Debtors

| | Total 2022 | Total 2021 |
|---------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Grants and donations receivable | 169,519 | 129,194 |
| Bank interest receivable | 1,151 | 3,999 |
| Investment income receivable | 16,566 | 20,806 |
| Barn rent receivable | 24,890 | 23,765 |
| Other debtors | 9,946 | 528 |
| | <u>222,072</u> | <u>178,292</u> |
| Prepayments | 1,194 | 2,526 |
| | <u>223,266</u> | <u>180,818</u> |

13. Creditors

| | Total 2022 | Total 2021 |
|-----------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Trade Creditors | 13,248 | 3,704 |
| Unpaid Grants | 1,095,900 | 333,166 |
| Deferred Income | 21,162 | 20,463 |
| Employee tax and social security | 7,437 | 13,281 |
| VAT | 8,770 | 12,908 |
| Staff Pension scheme contribution | 3,529 | 2,440 |
| | <u>1,150,046</u> | <u>385,962</u> |
| Accruals | 108,743 | 215,599 |
| | <u>1,258,789</u> | <u>601,561</u> |

Deferred income has arisen as a result of rental income being received in advance.

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14. Endowment Funds

| | 31 March 2021 | Net incoming/ (outgoing) resource | Investment Gains/(losses) | Transfers | 31 March 2022 |
|---|-------------------|--------------------------------------|------------------------------|------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Ambassadors | 92,280 | (576) | 974 | 0 | 92,678 |
| Alan Higgs Fund | 0 | 0 | 22,769 | 490,000 | 512,769 |
| Annie Bettman Fund | 336,110 | (2,097) | 3,549 | 0 | 337,562 |
| AXA | 239,406 | (1,494) | 2,528 | 0 | 240,440 |
| Birmingham fund | 356,142 | (1,117) | 27,730 | 0 | 382,755 |
| Birmingham Mail Charity Fund | 54,340 | (360) | 4,106 | 0 | 58,086 |
| Coventry Lord Mayor | 25,696 | (160) | 271 | 0 | 25,807 |
| Coventry Nursing trust | 408,248 | (2,354) | 6,655 | 0 | 412,549 |
| DBOI Grassroots Fund | 151,301 | (1,001) | 11,432 | 0 | 161,732 |
| Friends Provident | 14,062 | (88) | 149 | 0 | 14,123 |
| Building Better Lives | 2,651,498 | (17,590) | 184,012 | 0 | 2,817,920 |
| George & Vera Bryan Grassroots fund | 213,504 | (1,413) | 16,132 | 0 | 228,223 |
| Harry Weston Fund | 0 | 58,579 | 685 | 400 | 59,664 |
| Harry Payne Fund | 3,417,957 | 0 | 310,705 | 0 | 3,728,662 |
| Heart of England Fund | 516,094 | (3,220) | 5,450 | 0 | 518,324 |
| High Sheriff of Warwickshire | 201,959 | (214) | 14,828 | 0 | 216,573 |
| James Kenning | 56,593 | 0 | 4,884 | 0 | 61,477 |
| Jumping Through Hoops | 1,180,309 | (4,663) | 97,811 | 7,811 | 1,281,268 |
| Kingscliffe Fund | 196,110 | (1,224) | 2,071 | 0 | 196,957 |
| Midlands Heart | 127,015 | (792) | 1,341 | 0 | 127,564 |
| Mills & Reeve Grassroots Fund | 70,727 | (468) | 5,344 | 0 | 75,603 |
| Mike Holland fund | 109,375 | 0 | 8,573 | 50,000 | 167,948 |
| National Grid | 84,169 | (525) | 889 | 0 | 84,533 |
| Orbit Heart of England Fund | 184,969 | (1,154) | 1,953 | 0 | 185,768 |
| Property for Kids Grassroots Fund | 27,789 | (184) | 2,100 | 0 | 29,705 |
| PSA Peugeot Citroen | 416,031 | (2,596) | 4,393 | 0 | 417,828 |
| Rollis Royce | 78,144 | (488) | 825 | 0 | 78,481 |
| Sandwell Community Fund | 352,535 | 0 | 47,300 | 0 | 399,835 |
| Solihull Community Foundation | 292,893 | 0 | 8,402 | 0 | 301,295 |
| Torrington House | 238,631 | (1,486) | 2,515 | 0 | 239,660 |
| Trustees' New Deal | 92,742 | 0 | 7,806 | 2,640 | 103,188 |
| Warwick Lying -in -trust | 45,865 | (304) | 3,465 | 0 | 49,026 |
| Willenhall Community Trust | 71,348 | 0 | 6,157 | 0 | 77,505 |
| Youell Family Fund 1 | 1,645,792 | (8,054) | 44,260 | 0 | 1,681,998 |
| Youell Family Fund 2 | 733,220 | 0 | 0 | 0 | 733,220 |
| Donor Control Accounts | 1,241,978 | 66,121 | 0 | (550,851) | 757,248 |
| Investment income/Investment Management costs | 0 | 330,640 | 0 | (330,640) | 0 |
| | <u>15,924,832</u> | <u>401,718</u> | <u>862,064</u> | <u>(330,640)</u> | <u>16,857,974</u> |

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14. Endowment Funds continued

The investment income is allocated, on an annual basis, to unrestricted core funds £129,992 (2021: £92,743) and Grants for distribution £200,648 (2021: £198,195). Endowment funds include unrealised valuation gains of £921,976 (2021: £2,511,562).

The previous table includes the following funds relating to the Community First Programme

| | 31 March 2021 | Net incoming Resources | Investment Gains/(losses) | Transfers | 31 March 2022 |
|-------------------------------|------------------|---------------------------|------------------------------|--------------|------------------|
| | £ | £ | £ | £ | £ |
| Coventry Nursing trust | 30,947 | 0 | 2,671 | 0 | 33,618 |
| Harry Payne Fund | 3,417,957 | 0 | 310,704 | 0 | 3,728,661 |
| High Sheriff of Warwickshire | 167,611 | 0 | 14,465 | 0 | 182,076 |
| James Kenning | 56,593 | 0 | 4,884 | 0 | 61,477 |
| Solihull Community Foundation | 277,358 | 0 | 23,937 | 0 | 301,295 |
| Trustees' New Deal | 89,538 | 0 | 10,446 | 0 | 99,984 |
| Willenhall Community Trust | 71,348 | 0 | 7,806 | 2,640 | 81,794 |
| Youell Family Fund 1 | 354,891 | 0 | 30,628 | 0 | 385,519 |
| | <u>4,466,243</u> | <u>0</u> | <u>405,541</u> | <u>2,640</u> | <u>4,874,424</u> |

15. Restricted Funds

| | 31 March 2021 | Income | Expenditure | Transfers | 31 March 2022 |
|--|------------------|---------------|---------------|-----------|------------------|
| | £ | £ | £ | £ | £ |
| Core | | | | | |
| Big Lottery Fund, European Social Fund, Building Better Opportunities | 32,867 | 135 | (199) | 0 | 33,201 |
| PSA Peugeot Citroen (in Kind) | 0 | 59,170 | 59,170 | 0 | 0 |
| | <u>32,867</u> | <u>59,305</u> | <u>58,971</u> | <u>0</u> | <u>33,201</u> |

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15. Restricted Funds Continued

| | 31 March 2021 | Income | Expenditure | Transfers | 31 March 2022 |
|---|------------------|----------------|------------------|----------------|------------------|
| | £ | £ | £ | £ | £ |
| Distributable grants | | | | | |
| 29th May 1961 Charitable Trust | 4,179 | 16,500 | 12,250 | 0 | 8,429 |
| ACE lets Create Jubilee | 0 | 330,787 | 330,787 | 0 | 0 |
| Alan Edward Higgs Charity | 10,000 | 0 | 4,000 | 6,916 | 12,916 |
| Annie Bettman Fund | 3,842 | 0 | 0 | 1,430 | 5,272 |
| AXA | 8,270 | 0 | 7,903 | 2,279 | 2,646 |
| Band Hatton Button | 2,311 | 0 | 0 | 0 | 2,311 |
| Birmingham Funds | 28,451 | 0 | 17,218 | 70,564 | 81,797 |
| Birmingham Mail Charity Fund | 31,796 | 0 | 28,537 | 233 | 3,492 |
| Birmingham Sports | 16,828 | 1,800 | 2,680 | 0 | 15,948 |
| Building stronger Britain together (BSBT) | (2) | 0 | 0 | 0 | (2) |
| Building better lives | 63,207 | 0 | 11,220 | 22,780 | 74,767 |
| Community Energy Warwickshire | 16,753 | 6,918 | 4,500 | 0 | 19,171 |
| Communities uncovered | 12,977 | 0 | 12,977 | 0 | 0 |
| Coronavirus Resilience Fund | 112,258 | (40) | 109,257 | 0 | 2,961 |
| Coventry Building Society | 75,874 | 70,000 | 76,585 | 0 | 69,289 |
| Coventry City of Culture Fund | 0 | 90,000 | 82,454 | 0 | 7,546 |
| Coventry Nursing Trust | 11,182 | 0 | 11,182 | 2,063 | 2,063 |
| Deutsche Bank | 18,357 | 31,500 | 14,800 | 0 | 35,057 |
| Drayton Manor Park | 17,290 | 0 | 947 | 0 | 16,343 |
| Edgbaston Emergency Food fund | 29,101 | 2,860 | 31,961 | 0 | 0 |
| Esme Fairbairn Foundation | 16,323 | 56,250 | 10,000 | 0 | 62,573 |
| GB Partnership | 3,054 | 0 | 3,053 | 0 | 1 |
| Get Ready Fund | 2,296 | 0 | 0 | 0 | 2,296 |
| Graham Griffiths Fund | 0 | 115,000 | 10,830 | 0 | 104,170 |
| Building better lives | 550,137 | 0 | 60,519 | 0 | 489,618 |
| Harrison Beale & Owen | 10,900 | (5) | 0 | 0 | 10,895 |
| Harry Payne Fund | 29,482 | 0 | 103,815 | 100,539 | 26,206 |
| Harry Weston Fund | 0 | 0 | 0 | 1,044 | 1,044 |
| Heart of England co-operative Society | 9,468 | 50,000 | 34,300 | 0 | 25,168 |
| Heart of England Fund | 25,064 | 25,000 | 2,000 | 10,417 | 58,481 |
| High Sheriff's Fund | 5,436 | 31,009 | 4,200 | 3,621 | 35,866 |
| JLR Solihul Employees Charity Fund | 0 | 56,861 | 15,000 | 0 | 41,861 |
| James Kenning | 0 | 0 | 2,000 | 2,000 | 0 |
| Jumping Through Hoops | 6,644 | 0 | 823 | 9,424 | 15,245 |
| Kingscliffe Fund | 3,592 | 0 | 3,591 | 834 | 835 |
| Sub total carried Forward | <u>1,125,070</u> | <u>884,440</u> | <u>1,009,389</u> | <u>234,144</u> | <u>1,234,265</u> |

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15. Restricted Funds Continued

| | 31 March 2021 | Income | Expenditure | Transfers | 31 March 2022 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-----------------------|-------------------------|
| | £ | £ | £ | £ | £ |
| Distributable grants | | | | | |
| Sub Total Brought Forward | 1,125,070 | 884,440 | 1,009,389 | 234,144 | 1,234,265 |
| Leamington | 5,760 | 3,293 | 2,279 | 0 | 6,774 |
| Longleigh | 19,084 | 0 | 0 | 0 | 19,084 |
| Love my Keresley Community | 18,200 | 0 | 0 | 0 | 18,200 |
| Made by Sport | 239,835 | 9,746 | 249,581 | 0 | 0 |
| Mayflex UK Fund | 0 | 9,200 | 1,200 | 0 | 8,000 |
| Mike Holland Trust | 2,970 | 0 | 2,969 | 2,847 | 2,848 |
| NNS Birmingham City Council | (27,582) | 287,000 | 230,360 | 0 | 29,058 |
| NNS Food Bank | 0 | 100,000 | 0 | 0 | 100,000 |
| NNS Track & Trace | 0 | 50,000 | 0 | 0 | 50,000 |
| Northfields Emergency Assistance fund | 37,520 | 0 | 37,520 | 0 | 0 |
| Orbit Heart of England Fund | 9,812 | 221,727 | 113,191 | 1,632 | 119,980 |
| Positive Futures | 15,716 | 45,000 | 55,076 | 0 | 5,640 |
| Pedimore fund | 39,165 | 27,000 | 39,680 | 0 | 26,485 |
| PSA Peugeot Citroen | 20,206 | 0 | 13,046 | 3,670 | 10,830 |
| Road to 21 | 5,321 | 0 | 0 | 0 | 5,321 |
| Sandwell Community Fund | 18,809 | 0 | 0 | 7,286 | 26,095 |
| SEGRO | 422 | 0 | 0 | 0 | 422 |
| Solihull Community Foundation | 6,735 | 0 | 2,500 | 1,330 | 5,565 |
| Solihull Celebrating Communities | 0 | 121,441 | 37,620 | 0 | 83,821 |
| Solihull Winter Welbeing | (1,760) | 302,321 | 192,212 | 0 | 108,349 |
| Stellantis Employee Fund | 0 | 21,004 | 3,085 | 0 | 17,919 |
| Tipton Education Fund | 49,910 | 10,800 | 9,312 | 0 | 51,398 |
| The David East Fund | 0 | 91,840 | 32,120 | 0 | 59,720 |
| Torrington House | 16,582 | 579 | 0 | 2,101 | 19,262 |
| Warwickshire Country Council | 0 | 1,000,000 | 1,000,000 | 0 | 0 |
| Wesleyan fund | 213,377 | 50 | 175,598 | 0 | 37,829 |
| Women and Girls | 15 | 0 | 0 | 0 | 15 |
| Warwickshire Recycling | 3,925 | 0 | 0 | (3,925) | 0 |
| Youell family fund | 53,651 | 0 | 9,320 | 21,563 | 65,894 |
| Young at Heart | 581,094 | 0 | 39,974 | (10,000) | 531,120 |
| | <u>2,453,837</u> | <u>3,185,441</u> | <u>3,256,032</u> | <u>260,648</u> | <u>2,643,894</u> |

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16. Designated Funds

| | 31 March 2021 £ | Income £ | Expenses £ | Gains/ (losses) £ | Transfers £ | 31 March 2022 £ |
|-----------------------------|-----------------------|---------------|---------------|-------------------------|----------------|-----------------------|
| Arts Council | 0 | 7,939 | 0 | 0 | 0 | 7,939 |
| Building Better Lives | 110,833 | 0 | 0 | 0 | 0 | 110,833 |
| BBO Provision | 120,463 | 0 | 0 | 0 | 0 | 120,463 |
| Birmingham City Council | 0 | 0 | 0 | 0 | 12,620 | 12,620 |
| Cadbury Fund | 6,250 | 0 | 0 | 0 | 0 | 6,250 |
| Coventry Building Society | 10,500 | 7,000 | 0 | 0 | (10,500) | 7,000 |
| City of Culture | 0 | 0 | 0 | 0 | 9,000 | 9,000 |
| Heart of England Fund | 200,000 | 0 | 57,599 | 0 | 100,000 | 242,401 |
| David East Fund | 0 | 0 | 0 | 0 | 5,000 | 5,000 |
| Esme Fairbairn Fund | 0 | 0 | 0 | 0 | 6,250 | 6,250 |
| Jaguar Fund | 0 | 0 | 0 | 0 | 4,944 | 4,944 |
| Made by Sport | 20,855 | 0 | 0 | 0 | (20,855) | 0 |
| Mayflex Fund | 0 | 0 | 0 | 0 | 800 | 800 |
| Orbit | 0 | 0 | 0 | 0 | 8,445 | 8,445 |
| Pandemic Recovery Fund | 100,000 | 0 | 0 | 0 | (100,000) | 0 |
| Solihull Fund | 0 | 0 | 0 | 0 | 14,281 | 14,281 |
| Warwickshire County Council | 0 | 27,096 | 0 | 0 | 0 | 27,096 |
| Wesleyan | 34,000 | 0 | 0 | 0 | (34,000) | 0 |
| Youell Family Fund | 682,426 | 0 | 4,532 | 59,911 | 0 | 737,805 |
| | <u>1,285,327</u> | <u>42,035</u> | <u>62,131</u> | <u>59,911</u> | <u>(4,015)</u> | <u>1,321,127</u> |

The Youell Family Fund is a Legacy from the late Alfred Youell MBE. Building Better Lives fund is a capital grants programme. The BBO Provision fund represents an amount set aside to cover any clawback from the BBO programme in the future.

The Cadbury fund, Coventry Building Society, Arts Council, City of Culture David East fund, Esme Fairbairn Fund, Jaguar Fund, Mayflex Fund, Orbit Fund, Solihull Fund, Warwickshire County Council and Wesleyan represent amounts set aside for the running of the grant funds in future years.

The Heart of England Fund is a fund set up by the Trustees that can be used for immediate need in the community that the Charity could support.

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17. Analysis of fund balances between the net assets

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Endowment funds £ | Total funds 2022 £ |
|------------------------|-----------------------|--------------------------|--------------------------|-------------------------|--------------------------|
| Tangible Fixed Assets | 1,472 | 0 | 0 | 0 | 1,472 |
| Investments | 271,780 | 737,804 | 0 | 16,100,724 | 17,110,308 |
| Bank and Cash Balances | 330,710 | 583,323 | 3,719,816 | 757,250 | 5,391,099 |
| Debtors | 70,445 | 0 | 152,821 | 0 | 223,266 |
| Creditors | <u>(63,247)</u> | <u>0</u> | <u>(1,195,542)</u> | <u>0</u> | <u>(1,258,789)</u> |
| | <u>611,160</u> | <u>1,321,127</u> | <u>2,677,095</u> | <u>16,857,974</u> | <u>21,467,356</u> |

18. Reconciliation of net income to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|--|----------------|--------------------|
| Net income for year | 1,162,589 | 936,151 |
| Dividend received | (339,971) | (300,993) |
| Rents received from investment properties | (88,668) | (85,183) |
| Interest receivable | (5,073) | (7,820) |
| Depreciation and impairment of tangible fixed assets | 4,245 | 4,247 |
| (Gains)/Losses on investments | (921,975) | (2,712,726) |
| Receipt of endowment | (116,618) | (193,594) |
| (Increase)/decrease in debtors | (42,448) | (40,881) |
| Increase /(decrease) in creditors | 657,228 | 391,643 |
| Net cash flow from operating activities | <u>309,309</u> | <u>(2,009,156)</u> |

Analysis of Net Debt

| | 1/4/2021 | Cashflow | 31/3/2022 |
|---------------------------|------------------|----------------|------------------|
| Cash and cash equivalents | <u>5,431,150</u> | <u>348,630</u> | <u>5,779,780</u> |

19. Control Relationships

The Board of Trustees is ultimately responsible for the control of the Charitable Foundation.

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20. Taxation

The Foundation is a registered charity and its activities are such that no liability to Corporation tax arises on its results for the year.

21. Members' guarantee

Every member has agreed that, if the charity is dissolved, while he or she remains a member or within twelve months afterwards, to contribute up to £10 towards the cost of dissolution and the liabilities of the charity.

22. Pensions and Post Retirement Benefits

a) Defined contribution pension plans –

The charity contributes to the money purchase pension plan for certain of its employees. The amount recognised as an expense in the period was £11,529 (2021: £12,839).

23. Financial instruments

The carrying value of the charity's Financial instruments

| | 2022 | 2021 |
|--|-------------|-------------|
| | £ | £ |
| Financial Assets | | |
| Measured at fair value through net income/expenditure: | | |
| Fixed asset investments (note 11) | 15,716,627 | 14,295,931 |
| Measured at amortised cost: | | |
| Barn rent receivable (note 12) | 24,890 | 23,765 |

The income, expenditure, net gains and net losses attributable to the charity 's financial instruments are as follows:

| | 2022 | 2021 |
|--|-------------|-------------|
| | £ | £ |
| Net gains and losses | | |
| Financial assets measured at fair value through net income/expenditure | 921,975 | 2,712,726 |

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24. Operating Leases – Lessor

Total future minimum lease payments collectable under non-cancellable operating leases:

| | 2022 | 2021 |
|-------------------|-----------------------|-----------------------|
| | £ | £ |
| Within one year | 87,700 | 86,318 |
| 1-5 years | 15,886 | 35,182 |
| More than 5 years | 0 | 0 |
| Total | <u>103,586</u> | <u>121,500</u> |

The Foundation lets the large and small Youell Barns, the small barn lease was renewed during 2019-20 and has a break clause in February 2024. The large barn lease was updated in 2022 and has a break clause in April 2023.