



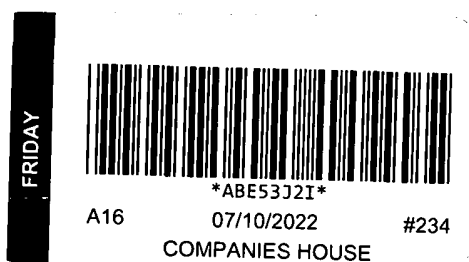
**THE HEART OF ENGLAND COMMUNITY FOUNDATION**

(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**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**CONTENTS**

Trustees and Staff	3
Professional Advisors	4
Trustees' Report <i>(including Directors Report and Strategic Report)</i>	5 – 15
Auditors' Report	16 – 20
Statement of financial activities <i>(including Income and Expenditure Account)</i>	21 - 22
Balance sheet	23
Statement of Cash flow	24
Notes	25 - 44

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee, no. 5999452)**  
**YEAR ENDED 31 MARCH 2022**

**TRUSTEES AND STAFF**

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

**Corporate Patron:** Stellantis  
**Patron:** Mrs Sally Carrick (Appointed 10<sup>th</sup> 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

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

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

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee, no. 5999452)**  
**YEAR ENDED 31 MARCH 2022**

**PROFESSIONAL ADVISORS**

<b>Auditors:</b>	Dafferns LLP One Eastwood, Harry Weston Road Binley Business Park Coventry, West Midlands CV3 2UB		
<b>Investment Managers:</b>	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
<b>Bankers:</b>	CAF Bank 25 Kings Hill Ave Kings Hill West Malling, Kent ME19 4JQ	Santander Bank Bootle Merseyside L30 4GB	
<b>Solicitors:</b>	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire		

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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 21<sup>st</sup> 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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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,



**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

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

Investment performance over the 12-month period ending 31<sup>st</sup> 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 29<sup>th</sup> 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 31<sup>st</sup> 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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

**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.

**THE HEART OF ENGLAND COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**  
**YEAR ENDED 31 MARCH 2022**  
**TRUSTEES' REPORT**

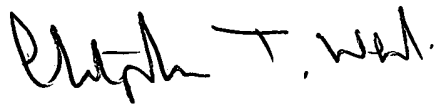
**4. Trustees' Responsibilities Statement for Charitable Companies (continued)**

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 5<sup>th</sup> 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  
(A company limited by guarantee)**

**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  
(A company limited by guarantee) draft**

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

**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**

		Unrestricted		Restricted Funds			
		General	Designated	Core	Distributable	Endowment	
		Funds	Funds	Costs	Grants	Funds	2022
		£	£	£	£	£	£
<b>Income and Endowments</b>							
Donations and legacies	2	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
<b>Total Income and Endowments</b>		<b>447,222</b>	<b>42,035</b>	<b>59,305</b>	<b>3,185,441</b>	<b>456,589</b>	<b>4,190,592</b>
<b>Expenditure</b>							
Raising Funds	3	40,825	0	0	0	0	40,825
Investment Management Costs		0	4,532	0	0	54,871	59,403
Charitable Activities - Grants	4	0	57,599	0	3,255,917	0	3,313,516
Charitable Activities - Support costs	5	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	8	10,560	0	0	0	0	10,560
<b>Total Expenditure</b>		<b>517,973</b>	<b>62,131</b>	<b>58,971</b>	<b>3,256,032</b>	<b>54,871</b>	<b>3,949,978</b>
Net Gain/(loss) on investment assets	11	0	59,911	0	0	862,064	921,975
<b>Net Income/(expenditure)</b>		<b>(70,751)</b>	<b>39,815</b>	<b>334</b>	<b>(70,591)</b>	<b>1,263,782</b>	<b>1,162,589</b>
Transfers between funds	9	74,007	(4,015)	0	260,648	(330,640)	0
<b>Net Movement in Funds</b>		<b>3,256</b>	<b>35,800</b>	<b>334</b>	<b>190,057</b>	<b>933,142</b>	<b>1,162,589</b>
Funds at 31 March 2021		607,904	1,285,327	32,867	2,453,837	15,924,832	20,304,767
<b>Funds at 31 March 2022</b>		<b>611,160</b>	<b>1,321,127</b>	<b>33,201</b>	<b>2,643,894</b>	<b>16,857,974</b>	<b>21,467,356</b>

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 £	Endowment Funds £	
<b>Income and Endowments</b>							
Donations and legacies	2	375,259	65,355	223,008	6,098,071	244,140	7,005,833
Rental Income		85,183	0	0	0	0	85,183
Investment Income		0	0	0	0	300,993	300,993
Bank Interest		7,226	0	594	0	0	7,820
Other income		15,084	5,213	0	0	0	20,297
<b>Total Income and Endowments</b>		<b>482,752</b>	<b>70,568</b>	<b>223,602</b>	<b>6,098,071</b>	<b>545,133</b>	<b>7,420,126</b>
<b>Expenditure</b>							
Raising Funds	3	62,276	0	0	0	0	62,276
Investment Management Costs		0	4,420	0	0	50,546	54,966
Charitable Activities - Grants	4	0	0	0	8,067,313	0	8,067,313
Charitable Activities - Support costs		443,377	0	192,713	11,196	0	647,286
Big Lottery Fund, European Social Fund, Building Better Opportunities Partners Governance	8	0 11,040	0 0	0 0	353,820 0	0 0	353,820 11,040
<b>Total Expenditure</b>		<b>516,693</b>	<b>4,420</b>	<b>192,713</b>	<b>8,432,329</b>	<b>50,546</b>	<b>9,196,701</b>
Net Gain/(loss) on investment assets	11	0	135,498	0	0	2,577,228	2,712,726
<b>Net Income/(expenditure)</b>		<b>(33,941)</b>	<b>201,646</b>	<b>30,889</b>	<b>(2,334,258)</b>	<b>3,071,815</b>	<b>936,151</b>
Transfers between funds		(109,829)	253,172	(239,545)	(77,860)	174,062	0
<b>Net Movement in Funds</b>		<b>(143,770)</b>	<b>454,818</b>	<b>(208,656)</b>	<b>(2,412,118)</b>	<b>3,245,877</b>	<b>936,151</b>
Funds at 31 March 2020		751,674	830,509	241,523	4,865,955	12,678,955	19,368,616
<b>Funds at 31 March 2021</b>		<b>607,904</b>	<b>1,285,327</b>	<b>32,867</b>	<b>2,453,837</b>	<b>15,924,832</b>	<b>20,304,767</b>

**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	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	10		1,472		5,717
<b>Investments</b>					
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>	
			<u>17,110,308</u>		<u>15,637,057</u>
			17,111,780		15,642,774
<b>Current Assets</b>					
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			<u>4,355,576</u>		<u>4,661,993</u>
<b>Net Assets</b>			<u>21,467,356</u>		<u>20,304,767</u>
<b>Funds of the Charity</b>					
<b>Capital Funds</b>					
Endowment Funds	14		16,857,974		15,924,832
<b>Income Funds</b>					
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			<u>1,932,287</u>		<u>1,893,231</u>
<b>Total Funds</b>			<u>21,467,356</u>		<u>20,304,767</u>

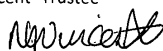
These financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime. The financial statements were approved by the trustees and authorised for issue on 5<sup>th</sup> October 2022 and are signed on their behalf by

Chris West - Chairman



Michelle Vincent- Trustee

Page 23



**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)
<b>Net cash flow from operating activities</b>		<u>309,309</u>	<u>(2,009,156)</u>
<b>Cash flow from investing activities</b>			
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
<b>Net cash flow from investing activities</b>		<u>(77,297)</u>	<u>(28,895)</u>
<b>Cash flow from financing activities</b>			
Receipt of permanent endowments		116,618	193,594
<b>Net cash flows from financing activities</b>		<u>116,618</u>	<u>193,594</u>
<b>Net Increase/(decrease) in cash and cash equivalents</b>		348,630	(1,844,457)
<b>Cash and cash equivalents at 1 April 2021</b>		5,431,150	7,275,607
<b>Cash and cash equivalents at 31 March 2022</b>		<u>5,779,780</u>	<u>5,431,150</u>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		5,391,099	5,082,736
Short term deposits		388,681	348,414
<b>Cash and cash equivalents at 31 March 2022</b>		<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:

	<b>Core Costs</b>	<b>Distributable Grants</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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	<b>59,170</b>	<b>1,637,406</b>	<b>1,696,576</b>	<b>5,481,960</b>

**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)**

	<b>Core Costs</b>	<b>Distributable Grants</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>59,170</b>	<b>3,185,441</b>	<b>3,244,611</b>	<b>6,321,079</b>

**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**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Staff Costs	40,825	0	40,825
	<u>40,825</u>	<u>0</u>	<u>40,825</u>

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
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](http://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.

	<b>Grants £</b>	<b>Administration £</b>	<b>Fundraising £</b>	<b>2022 £</b>
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 Subsistance	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 depreciaiton	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

	<b>£</b>
Unrestricted General Fund	466,588
Restricted Core Fund	58,971
Restricted Grant Fund	115
	<b>525,674</b>

**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:

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
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	11,529	12,839
	<u>394,614</u>	<u>512,410</u>
Support costs (see note 5)	353,789	450,134
Fundraising costs (see note 3)	40,825	62,276
	<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.



**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**

**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>

**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**

**10. Tangible Fixed Assets**

	<b>Computer Equipment £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
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>

**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**

**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	0	3,349,399	0	3,349,399	3,081,980
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)	0	0	0	0
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.

**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**

**12. Debtors**

	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>
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**

	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>
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.

**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**

**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
DBOl 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
Rolls 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>

**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**

**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
	£	£	£	£	£
<b>Core</b>					
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>

**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**

**15. Restricted Funds Continued**

	31 March 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
<b>Distributable grants</b>					
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>

**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**

**15. Restricted Funds Continued**

	<b>31 March 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Distributable grants</b>					
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
	<b><u>2,453,837</u></b>	<b><u>3,185,441</u></b>	<b><u>3,256,032</u></b>	<b><u>260,648</u></b>	<b><u>2,643,894</u></b>



**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**

**16. Designated Funds**

	<b>31 March 2021</b>	<b>Income</b>	<b>Expenses</b>	<b>Gains/ (losses)</b>	<b>Transfers</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>1,285,327</b>	<b>42,035</b>	<b>62,131</b>	<b>59,911</b>	<b>(4,015)</b>	<b>1,321,127</b>

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.

**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**

**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	(63,247)	0	(1,195,542)	0	(1,258,789)
	<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.

**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**

**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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Financial Assets</b>		
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:

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

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

**24. Operating Leases – Lessor**

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

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

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.