

Letchworth
Garden City
Heritage Foundation

REPORT & ACCOUNTS

to 31 December 2023

impact of our work at a glance

Letchworth
Garden City
Heritage Foundation

INVESTMENT

FOR EVERY

£1 WE RECEIVED IN
RENT WE SPEND



61p MANAGING AND
MAINTAINING OUR ESTATE

31p ON COMMUNITY
INVESTMENT

WE INVESTED

£406,000



ON IMPROVING FACILITIES AT
STANDALONE FARM ENJOYED BY

OVER 97,000

VISITORS IN 2023

WE INVESTED

£227,000



INTO THE DIRECT COST OF RUNNING
THE SCHEME OF MANAGEMENT AND

MANAGING **984 APPLICATIONS**
FOR CONSERVATION APPROVED CHANGES
TO LOCAL HOMES

WE HAVE

315



COMMERCIAL TENANTS ACROSS
400+ PROPERTIES

WE WELCOMED

27

NEW

**COMMERCIAL
TENANTS**

TO LETCHWORTH IN 2023



THROUGH OUR

**COMMUNITY
INVESTMENT**

WE SUBSIDISE THE
DIRECT COST OF EACH
CINEMA TICKET BY

£3

ENJOYED BY

**129,000
VISITORS**



INVESTING IN OUR

CHARITABLE OBJECTS

(FIGURES INCLUDE A SHARE OF OVERHEADS)



ENVIRONMENT
& HERITAGE

£857K

(£837K AFTER INCOME)



RECREATION
& LEISURE

£2,341K

(£1,102K AFTER INCOME)



TACKLING POVERTY
& IMPROVING
WELLBEING

£438K

(£436K AFTER INCOME)



EDUCATION
& LEARNING

£1,952K

(£1,000K AFTER INCOME)

88% OF CINEMA AUDIENCE
SAID THEY WERE LIKELY TO VISIT
A LOCAL BAR, RESTAURANT,
SHOP OR CULTURAL ACTIVITY
FOLLOWING A CINEMA VISIT



WE CONTRIBUTE
£5,475
EACH YEAR THROUGH OUR
BID LEVY CONTRIBUTIONS



WE PROVIDE A FURTHER
£36,000
GRANT FUNDING TO THE BID
ENABLING THEM TO MARKET AND
PROMOTE THE TOWN CENTRE



ECONOMIC

WE GRANTED A TOTAL OF
£523K
IN 2023
SUPPORTING LOCAL CHARITIES AND
VOLUNTARY ORGANISATIONS



WE INVESTED
£112,500
IN CITIZENS ADVICE
NORTH HERTS WHO
ADVISED 122
LETCHWORTH RESIDENTS



WE INVESTED
£18,000
IN LETCHWORTH FOODBANK
SUPPORTING
6,129 LOCAL RESIDENTS
OF WHICH 2,487 WERE CHILDREN



POVERTY AND
SOCIAL WELFARE

WE INVESTED
£314K
RUNNING THE GALLERY
AND MUSEUM WHICH HAD A TOTAL OF
15,270 VISITORS IN 2023



900
LOCAL CHILDREN FROM
16 SCHOOLS
TAKE PART IN OUR CULTURAL
LEARNING PROGRAMME



WE SECURED
£207,000
EXTERNAL FUNDING



CULTURAL

WE INVESTED OVER
£90,000
MANAGING AND IMPROVING THE GREENWAY
AND SURVEYED OVER **2,000 TREES** IN 2023



NATURE AND
GREENSPACES

58 VOLUNTEERS
SUPPORTED OUR WORK IN 2023
AND CONTRIBUTED
1,508 HOURS WHICH IS EQUIVALENT TO **£15,713**



VOLUNTEERING

welcome from our Chair

Our Foundation has become rather adept at operating against a backdrop of economic uncertainty, as has been the “new normal” for much of recent memory. Despite this now becoming somewhat of an expectation, I still find myself regularly impressed by the agility and tenacity of the organisation in delivering its mandate unswervingly.

And it is with thanks and admiration that I write to commend the Letchworth Garden City Heritage Foundation team on their collective triumph over the challenges of the past 12 months. Through macroeconomic and geopolitical headwinds, the Foundation has continued to serve our community and discharge its statutory objectives, whilst steadily rebuilding workforce capacity post-pandemic.

Having worked and lived in Letchworth for many years, it occurred to me only when “lockdown” gave us the opportunity to better acquaint ourselves with the Garden City, that the charm and unspoken quality of Letchworth’s

environment are the product of deliberate design and intentional placemaking undertaken by our predecessors in continuance of the vision and principles set out by Howard, Osborne, Parker, Unwin et al.

I am galvanised by the weight of responsibility that we carry through the Foundation, as stewards and custodians of such a welcoming and invigorating place. And as a father, I feel compelled to ensure that our Garden City continues to serve our future aspiring generations, through quality education, sport facilities, youth activities and a healthy environment. Which is why I am delighted by the work ongoing within the Foundation to ensure Letchworth is a “Great Place to Grow-Up”, the fruits of which will become apparent over the coming years, in partnership with schools and other key stakeholders.

I’m also pleased to see the evident renovation and improvement works taking place across our estate, as the Foundation conducts necessary maintenance on the homes and commercial properties within its portfolio, in order to meet our

environmental obligations and continue to preserve heritage through our buildings. Whilst this is of course our duty, the programme has necessitated significant investment, which the team are managing diligently.

And in serving our diverse community, I have been proud to see the Foundation’s venues celebrating Letchworth’s culture, with the collective efforts of the Culture Committee, and the Gallery, Museum, Collection and Heritage teams, to name a few. I’m looking forward to an exciting programme of further cultural events over the months ahead.

In closing, I mostly want to thank the citizens of our great town, for their engagement with our consultations and their support for our efforts to responsibly influence and improve the volume and quality of housing and skilled employment opportunities Letchworth has to offer. The Board of Trustees and the Executive Team at the Foundation are committed to these efforts yielding a positive impact, and are ardent in our desire to make

Letchworth an even more pioneering, inspiring and inclusive town, with a thriving economy that improves the social mobility and wellbeing of residents.

Thank you all for the role you play in making that ambition a reality.

G Hawkins

Gareth Hawkins
Chair



Reflections on 2023 **from our CEO**

We continued to face a very challenging operating environment in 2023, but we have made significant progress in key areas including sustainability, community leadership and fundraising. We have also been to forge ahead with developing our new Strategy 2028.

The Foundation's income is largely derived from commercial and residential rental income. Both this income and related expenditure has been under significant pressure again in 2023. Rapidly rising costs including utility and fuel bills, along with increasing maintenance costs of an ageing estate has created significant and growing cost pressures for us. Add to that the changing market conditions for commercial property, particularly a fall in demand for office accommodation, creating a growing issue of vacant offices which has dented our income. Overall, the cost of managing our estate alongside the need for increased investment to improve the condition of our buildings has meant that our estate costs are rising faster than our rental income. As a result, our levels of community reinvestment

that funds the cinema, Gallery and our community sector grants programme are being squeezed. Disappointingly, we expect this to continue for the foreseeable future.

The latter half of 2023 began to show some signs of improvement in the property sector signalled through improved retail lettings in the town centre, and we started 2024 with a lower level of empty shops than in previous years; demand for residential lettings was also very high. The property highlight of the year was

undoubtedly securing the letting of the Old Grammar School and the welcome news that Emil Dale Academy will be relocating to the town in 2024.

Rising costs has had a big impact on our own community services. Broadway Cinema & Theatre experienced increased heating and operating costs, whilst our audiences have not yet returned to pre-pandemic levels. This is a challenge for all cinemas across the UK. To help control costs we took the difficult decision to close

the cinema on Monday and Tuesday. Whilst audiences are slowly increasing, we are working hard to diversify the cinema offer and we have slowly begun to introduce more live events programming in addition to some building improvements. Standalone Farm has grown its audience very significantly in 2023, hitting nearly 100,000 visitors for the first time. This is a result of significant investment from the Foundation in improving parking, facilities, and the visitor experience. It is really making a difference.



There are many other successes to highlight. Volunteering at the Foundation has been a great success, delivering more opportunities than we imagined and with strong local community interest. We have increased our fundraising income too, now a core source of income for our arts, heritage and culture offer at the Gallery and Museum. We plan to increase fundraising income and engage more of the community in the town's growing cultural offer.

Supporting our partners to attract more funding has been a theme of our leadership role with the local voluntary and community sector (VCS). Our first and very successful VCS conference focussed on

supporting the VCS to be able to grow and develop to meet the increasing needs they are facing from the community. It is heartening to hear from them how much they appreciate the leadership role the Foundation is taking up to nurture and support the sector. This is complemented by our significant grant funding investment which this year has seen over £500k invested into local organisations including Letchworth Garden Shed, Citizens Advice and Jackmans Community Centre.

We made significant progress this year on sustainability with a new policy and strategy in place to enable us to transition to a low carbon economy estate as well as

consider the implications of sustainability and retrofitting on the scheme of management and across our range of community services.

There are complex challenges facing the Foundation which we have done much to respond to this year. We have also developed our new Strategy 2028 and set out a clear roadmap for change that will improve our financial resilience which in turn will enable us to be more ambitious for social change through our investment in the local community.



Graham Fisher
Chief Executive



About this report

The purpose of this report is to give an update on our achievements against the objectives set out in our Strategic Plan and on our financial performance in 2023.

Our vision is to make Letchworth
a great place for everyone
who lives and works here



who we are and what we do

We use the income from our residential and commercial property portfolio, all of which is in Letchworth, to fund the activities that we deliver.

This financial model is known as 'value capture'. It helps us deliver dozens of community projects and workstreams throughout our venues, services and grants programme.

In a typical year our teams work across a broad range of areas covering the six charitable commitments ('objects') set out in our constitution:



Activities include:

- Working with families and schools to give children the best possible start in life.
- Encouraging and supporting a new generation of entrepreneurs to develop businesses in Letchworth.
- Enabling people from across our community to access arts, culture and heritage services and events.
- Developing plans to create housing for people at different stages of their lives, including those who want to stay in their hometown.
- Maintaining the Greenway and other open spaces, to make sure people can enjoy the outdoors.

2023 was not only a year of delivering against our existing objectives, but also for reflection and planning as we produced a new five-year strategy to map out the work of the Heritage Foundation from 2024–2028.

Our new strategy (which you can read about in more detail on page 36) outlines our new vision and mission statement as well as the six strategic aims of the Heritage Foundation.

Our purpose was defined by the Letchworth Garden City Heritage Foundation Act 1995, which transferred to us the assets, role and responsibilities of the former Letchworth Garden City Corporation, a public sector body. We are a registered society under the Co-operative and Community Benefit Societies Act 2014, with charitable status, registered number 28211R.

commitments



opportunities

Our strength as an organisation lies in developing partnerships to offer the best opportunities to everyone who lives here.

Click to view
www.letchworth.com



In 2023, we continued to deliver against our existing four strategic aims; highlights of which are detailed in this report.

INCREASE INVESTMENT IN LETCHWORTH

- Develop Place Branding for Letchworth Garden City
- Respond to the outcome and opportunities of the Local Plan



Strategic aims & priorities 2023

IMPROVING LIFE CHANCES FOR PEOPLE IN LETCHWORTH

- Create new and increased opportunities for local volunteering
- Pioneer new methods of engagement in partnership with our key community partners
- Ensure our grants programme remains robust and suited to the needs of Letchworth residents



ENSURE LETCHWORTH CONTINUES TO BE A GREAT PLACE TO LIVE

- Levelling-up Arts, Culture & Heritage
- Venues
- Community Engagement



INITIATE A FINANCIAL RECOVERY ROADMAP

- Make our venues more financially sustainable
- Development of fundraising strategy
- Maximise our property portfolio

strategic

Our strategic objectives provide strong guidance for our teams. Alongside this, we are focused on delivering a number of outcomes for the local community that will ultimately improve the quality of people's lives.

Beneath our strategic objectives lie eight specific outcomes, which are outlined in the framework shown on the right. This clear framework enables stakeholders and service users to understand what the Foundation aims to achieve. It also allows every colleague at the Foundation to recognise the difference that they are making.

We measured the case studies shown in the following pages against these outcomes.

The outcomes we aim to achieve



Letchworth **children** participate in a range of **cultural opportunities**



The town centre is **vibrant**



Reduce isolation in Letchworth particularly for **older people**



Letchworth is known for its **cultural** offer



A **high quality** of life in Letchworth for **all** residents



Supported families have improved **opportunities** and life chances



The **unique character** of the town is understood and **celebrated**



People's **health and wellbeing** are improved through increased levels of **physical activity** and **community** involvement

outcomes and impact

diversity and inclusion



The Foundation believes that Equality, Diversity and Inclusion (EDI) are essential aspects of how we fulfil our purpose.

We believe that having a diverse workforce within the Foundation brings many benefits such as strengthened insight, creativity and improved problem solving, all of which supports us to have a greater impact in our community. We want to ensure everyone, regardless of their background and characteristics, should be able to access opportunities to fulfil their potential.

As a funder, inequalities are at the root cause of many of the issues our community faces and much of the support we provide to fulfil our charitable objectives. By embedding EDI across our funder activity we will be able to deliver greater impact against our charitable objectives.

In 2023, the EDI Allies group (VOICE) delivered some key milestones...



Action plan created



Events delivered



Participants in VOICE Forum events



Employee-suggested scheme implemented



Random act of kindness day celebrated



Posts on Workplace

Create new and increased opportunities for local volunteering

Upscaling Our Offer

In 2023, we recruited a new volunteering manager. Ed Paxton joined the team with a strong background in managing volunteering programmes at large national organisations. He brought a wealth of experience in developing and enhancing opportunities for volunteers in complex organisations.



Ed's work on the volunteering strategy in 2023 will bear fruit in 2024 as we continue to develop our offer both to volunteers and to the local community.



Letchworth **children** participate in a range of **cultural opportunities**



Reduce isolation in Letchworth particularly for **older people**

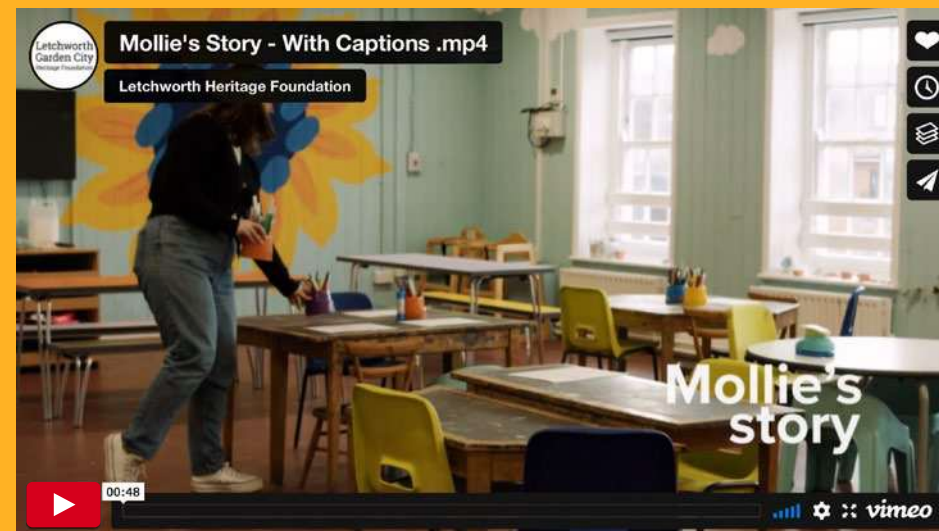


People's **health and wellbeing** are improved through increased levels of **physical activity** and **community** involvement



Supported families have improved **opportunities** and life chances

IMPROVING LIFE CHANCES
FOR PEOPLE IN LETCHWORTH



Click to view
www.letchworth.com

If you would like to know more about joining the team of volunteers at the Heritage Foundation, please email volunteering@letchworth.com. You can find out more about how volunteering at the Heritage Foundation works at www.letchworth.com/volunteering

community

Meet the Team **Case Study**

IMPROVING LIFE CHANCES
FOR PEOPLE IN LETCHWORTH



Broadway Gallery, Volunteers:
Daniela and Dylan
Family Learning Volunteer
and Front of House Volunteer



Family Learning Volunteer Daniela has been volunteering at Broadway Gallery for over a year along with her son, Dylan, who has given some of his Summer holiday time as a Front of House Volunteer. Originally from Venezuela, the mother and son duo enjoy supporting Broadway Gallery team in their spare time. Dylan tells us about how he started off working towards his Duke of Edinburgh award and how he ended up staying on...

Describe your average day...

Daniela – My role is to make sure that everything is organised, so that the kids have everything they need and welcome the families as they arrive. I just make sure everything is working properly. I've been supported and given training too, so I feel confident in the role.

Why did you want to volunteer?

Daniela – My story is so amazing! My mum (who lives in Venezuela) follows the Heritage Foundation on Instagram. She saw a volunteering campaign and sent it to me. Now I am a volunteer here. I think

volunteering is a great way to get involved with art if you like it. I always enjoy artist stuff!

What's your favourite part of the job?

Dylan – I like to get out of the house, see people and do something different. Most of all talking to new people.

Daniela – My favourite thing about volunteering is being close to so many talented people, especially at the gallery. This summer Dylan was helping with the Letchworth Open, it was amazing to see so many talented people and their art.

What three skills do you think you need in your role?

Dylan – I would say it's less about skill and more about having the right attitude and asking for help when you need it.

Daniela – All you need is the willingness to help and to know that there's no such thing as a task too small. Also knowing sometimes helping with the little things, is where you make a difference.

How would you describe the team at the Gallery?

Dylan – I have been able to get help with anything, even some tricks to get things done quicker. Everyone's just really friendly.

Daniela – I love the whole team, all so nice, so supportive, so welcoming, it's an amazing team to work with.

What's your biggest achievement so far?

Dylan – Working on the new Letchworth Open, seeing all the change in the gallery, supporting the team with the jobs that I do.

Daniela – It's so nice for us to share something as mother and son. It's so special for me.

Why would you recommend volunteering at the Gallery?

Dylan – It really changes your tempo, if you think life's getting boring you can go and volunteer, you can find people to volunteer with and make new friends.

Daniela – It's a great place to learn, meet new people, it's very flexible. There's so much support to follow your passions here.

volunteering

Pioneer new methods of engagement in partnership with our key community partners

IMPROVING LIFE CHANCES
FOR PEOPLE IN LETCHWORTH



In 2023 we partnered with North Herts & Stevenage Centre for Voluntary Services (CVS), and North Herts Council to host the inaugural 'All About Us' North Herts Community Conference.

A full programme of topics was discussed that related directly to the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector. Local groups shared their experience of operating in the present climate. Funders shared information about their grants and offered practical advice on how to make a successful application. Volunteer recruitment, collaborative working and environmental sustainability were also discussed at a very productive workshop.



A high quality of life in Letchworth for all residents



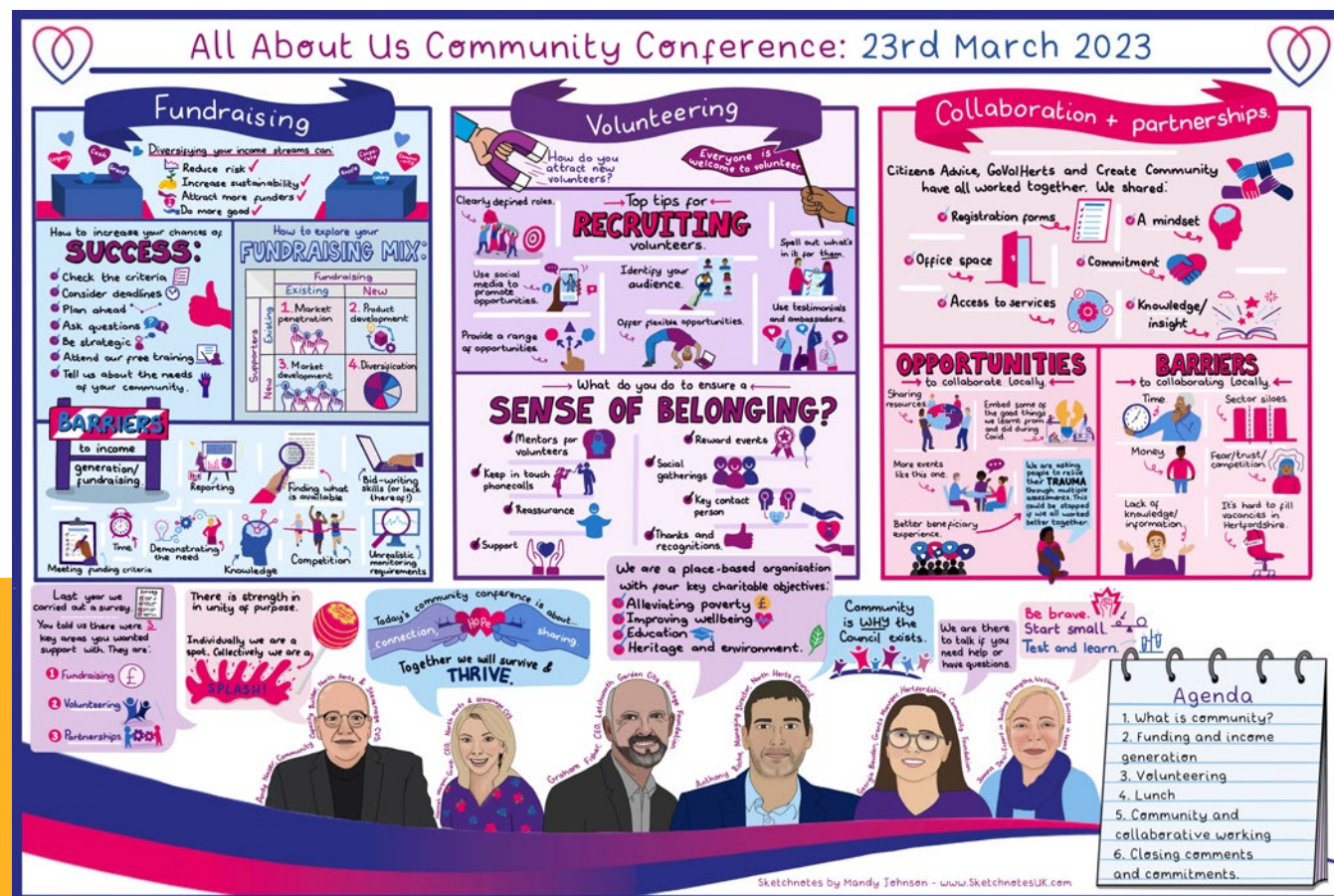
Reduce isolation in Letchworth particularly for older people



People's health and wellbeing are improved through increased levels of physical activity and community involvement



Supported families have improved opportunities and life chances



partnership

“

We are all aware that the UK is facing its biggest cost of living crisis in decades. This not only impacts every one of us but also the VCFSE sector. The cost-of-living crisis means that many local groups and organisations are finding it difficult to deliver the support to our community – just when so many need it the most.

**Hannah Morgan-Gray, Chief Executive
at North Herts & Stevenage CVS**

”

“

We were delighted that so many local organisations attended and added their voice. This had a real positive influence on the work of the organising partners and others to help bring about improved support, sustainability and greater opportunities for both their group and the wider community.

**Graham Fisher, CEO at Letchworth
Garden City Heritage Foundation**

”

“

We're proud to have been one of the partners hosting this event. Many people are struggling at the moment and the VCFSE plays a crucial role, bringing our communities together so they can thrive. This event was a great opportunity to share ideas and best practice so we can continue supporting each other.

Cllr Elizabeth Dennis, Leader of North Herts Council

”

IMPROVING LIFE CHANCES FOR PEOPLE IN LETCHWORTH



Following this event, a number of workshops were held on Volunteering, Fundraising and Collaboration to further identify collaborative opportunities and make a direct difference to organisations in Letchworth.

The next All About Us events are currently being planned for 2024 and beyond.



Ensure our grants programme remains robust and suited to the needs of Letchworth residents

IMPROVING LIFE CHANCES
FOR PEOPLE IN LETCHWORTH



Communities and Grants Impact Report 2023

Letchworth Garden City Heritage Foundation has granted around £126,000 to projects and charities in the town in 2023. These grants support a range of needs such as wellbeing, mental health, food provision, sports and disability support. Grants were given in line with the strategy put in place by the grants committee. This strategy had a strong emphasis on the provision and support needed in areas such as poverty, mental health issues and the broadening skills gap.

The committee noted key trends in applications, namely:

- Cuts to basic services across the board
- Reduced disposable income
- Reduced Individual giving
- Reduction in levels of volunteering
- Increase in demand for grant funding
- Increased demand for fundraising

As well as applications for operational and development costs, applications were also made covering a range of additional needs, including:

- Publicity for their cultural groups, employing community workers, crisis food packages and mental health and domestic abuse support programs and initiatives.
- Valuable marketing and publication cost or utility and running cost are covered to keep these activities running.



OUR COMMUNITY INVESTMENT

£523,000

GRANTED IN TOTAL IN 2023



£7,621

GRANTED TO ANGEL SUPPORT GROUP TO ENABLE A SPECIALIST SUPPORT PRACTITIONER TO RUN FAMILY WORKSHOPS AND BE A VISIBLE POINT OF CONTACT



£13,500

GIVEN DURING 2023 TO SUPPORT IMPACT OF COST OF LIVING



GARDEN HOUSE HOSPICE CARE
GRANTED £18,211

TO SUPPORT ESTABLISHING OLDER PEOPLE HUBS AS PART OF THE STRATEGIC PLAN TO MAKE LETCHWORTH A GREAT PLACE TO LIVE

IMPROVING LIFE CHANCES
FOR PEOPLE IN LETCHWORTH



COMMUNITY GRANT PROGRAMME

OUR COMMUNITY PROGRAMME FOCUSED ON MAKING GRANTS TO CHARITABLE ORGANISATIONS IN LETCHWORTH GARDEN CITY

£126,000

WAS GRANTED IN 2023



30

GRANTS WERE AWARDED



AVERAGE AWARD FOR THE YEAR FROM THIS PROGRAMME WAS

£4,332



£15,000

WAS THE LARGEST COMMUNITY GRANT, GIVEN TO ENABLE HOME START HERTS TO RUN A FAMILY GROUP



2023 in Review

Much of the community of Letchworth in 2023 was affected by the cost-of-living crisis. Letchworth Garden City Heritage Foundation continued to deliver their strategy to support the residents through the Grants process. The disparity between neighbourhoods in our town is as stark as it ever has been, and the need for support was identified in these areas:

- Drive down food poverty
- Upskill and develop school readiness for children
- Hear the voices of younger people in the town

With this in mind a wider strategy was adopted to better serve the town. A collaborative working approach was adopted; harmonising cohesive working with key partnerships around Letchworth.

ALL ABOUT US

In 2022 North Hertfordshire Centre for Voluntary Services (NHCVS) and North Hertfordshire Council in collaboration with the Letchworth Heritage Foundation launched a survey to better understand the needs of community and voluntary groups throughout North Herts. The results of this survey led to an event to discuss the immediate and long-term needs of these groups. This was followed by workshop sessions which looked at what the need was, how it could currently be met by LGCHF, NHCVS and partners, and what the future might look like. This work will continue into 2024 and beyond.



THE LETCHWORTH STORY

A strategic partnership was established with Collaborate CIC to co-create a vision and direction of travel for the future of Letchworth. They have supported with workshops and sparked networking and this work will continue throughout 2024.

IMPROVING LIFE CHANCES
FOR PEOPLE IN LETCHWORTH



WORKING IN COLLABORATION WITH OUR COMMUNITY

There was a key change in the focus of the grants committee as a result of the data received from both the All About Us survey and the collaborative work with the agency. This shift was to a more inclusive and collaborative way of working for the benefit of the town.

One of the key collaborations was with the Citizens Advice North Herts, Letchworth which was given a large strategic grant to maximise income and assist residents and offer continual support. With the aim to initiate and intercept earlier in the stages of the need of the individual ahead of crisis point.

Community continued to be an important focus of our 2023 grant giving. A total of £523,000 was granted throughout 2023 for community projects and activities including:

- Culture Wood CiC Ltd, a woodcraftery activity group which runs monthly at Norton Common. It encourages engagement with our natural environment, and combines improvement in wellbeing and upskilling in the community.
- SADA, a domestic abuse centre, who applied for a grant for a support worker to work in the community and reach more with their specialised support.
- The Khalsa Football Club, applied and received a grant for just over £6,000 for their 35th Anniversary celebration with the community of Letchworth.



IMPROVING LIFE CHANCES FOR PEOPLE IN LETCHWORTH



LOOKING FORWARD...

Priorities for 2024 are to build on collaboration and partnerships and work more inclusively with the residents of Letchworth to make the town a great place to grow up in. There is a strong aim and objective this year to build on the communities that surround the town and in particular the voices of children and young people.

In 2023, the grants committee received 44 applications which is a strong indication of the role the grants programme plays in supporting core community groups in the town and an indicator of the support required throughout the community in Letchworth.

Grant applications are usually completed online and then proposed to the grants committee who meet regularly to discuss the details and viability of each application.

The Grants committee meet monthly, and we accept grants applications any time during the year. Potential applicants are advised to visit **letchworth.com/grants**

If you would like to speak to the grants and partnership team please contact **Alastair.stewart@letchworth.com** for more information or visit **letchworth.com/for-the-community/grants**

Levelling up Arts, Culture & Heritage

ENSURE LETCHWORTH CONTINUES
TO BE A GREAT PLACE TO LIVE



2023 was the second year of Letchworth's culture strategy. Thanks to the Letchworth Culture Committee, we have been able to develop an ambitious strategy and begin delivering key elements that will serve to elevate our cultural offer and make Letchworth known for its incredible array of opportunities.

DEVELOPMENT OF AN ARTS & CULTURE CENTRE

We have started developing plans for a new centre and will soon seek to consult our partners and community

PROMOTION OF ACTIVITIES

Discoverletchworth.co.uk was relaunched and see it as a way to promote our offer, but we need to do more to get cultural deliverers using it.

TOWN CENTRE

Working with Love Letchworth, we are developing programmes that can bring more cultural life to the town centre

ENGAGEMENT WITH UNDER-REPRESENTED COMMUNITIES

We know we don't engage with all of our communities and some groups in particular. Working with partners, we hope to give greater voice, opportunity and access to these groups.



Letchworth **children** participate in a range of **cultural opportunities**



The **unique character** of the town is understood and **celebrated**



Letchworth is known for its **cultural offer**

culture



SKILLS DEVELOPMENT

We want our cultural sector to thrive and to do this recognise the need to offer support and opportunities for skills development

MONITORING

Sharing the success of our sector is only possible if we are able to report our impact. We are also committed to adding to the range of activities. To support this, we have updated the culture infrastructure map, which highlights the amazing offer, but will also lead us to consider some of the gaps and what we might be able to do to support new activities; and also how we can continue to deliver the incredible Letchworth Festival, reaching more people and engaging more in culture and leisure activities.

Broadway Gallery presented its biggest ever Letchworth Open Exhibition in 2023, featuring the works of over 400 local artists.

ENSURE LETCHWORTH CONTINUES
TO BE A GREAT PLACE TO LIVE



Letchworth Garden City Heritage Foundation is proud to be the custodian of the wonderful Garden City Collection. The Collection houses thousands of pieces of memorabilia, ephemera, photographs and artefacts which catalogue the 120 years of Letchworth Garden City.

In 2023, thanks to successful application to the National Lottery Heritage Fund's Dynamic Collections project, work began on a new project to improve this important asset.

Our project 'Uncovering Letchworth' will ensure that our ACE-accredited Garden City Collection better represents the rich and distinct stories of our diverse community today. We believe everyone in Letchworth should see themselves in the stories our museum service tells. To drive this project, two Collections Officers have been recruited to the team. You can track progress of this exciting project at discoverletchworth.co.uk



Venues

In 2023, Broadway Cinema & Theatre experienced a notable increase in blockbuster releases, marking the first year free from Covid restrictions. However, like much of the cinema industry, continued to grapple with challenges such as the dominance of home streaming services, delays caused by the writers' strike, and economic pressures like the cost of living crisis and escalating energy expenses.

To address these issues, a consultation was conducted involving the public and key stakeholders. It was decided to close Broadway on Mondays and Tuesdays to mitigate rising energy costs. This closure, initiated in 2023, extended into 2024 and remains under evaluation.

The year also saw the return of live theatre to Broadway, featuring a selection of productions predominantly in comedy, music, and pantomime genres. These performances were well received, consistently selling out. Valuable feedback from attendees was collected to inform the programming of theatre content for 2024.

Furthermore, work commenced on the development of a loyalty program for Broadway customers, leveraging new cutting-edge AI-based marketing software scheduled to launch in 2024.

In its third year of a four-year development plan, Standalone Farm made significant strides in enhancing its attraction. A highlight of 2023 was the introduction of a new play area, a hit among families and visitors. Responding to customer feedback, there's a clear demand for increased

animal interaction. The new Farm Manager, who was appointed in 2023, worked hard to ensure more animals and interactive activities would be on offer in 2024.

The farm also delivered a successful events programme in 2023, including an out-of-season Christmas Market, and extended its season by opening additional days in November to meet growing visitor interest.

In collaboration with ResilienTogether, an organisation focused on local flood alleviation, Standalone Farm improved its flood defenses and initiated the development of an education centre and water-play facility, set to debut in 2024.

ENSURE LETCHWORTH CONTINUES
TO BE A GREAT PLACE TO LIVE



VENUE VISITOR NUMBERS

129,650

ADMISSIONS TO
BROADWAY CINEMA



4,468

VISITS TO MUSEUM AT
ONE GARDEN CITY



10,802

VISITS TO BROADWAY
GALLERY



97,994

VISITS TO
STANDALONE FARM



visitors

Community Engagement

Engagement with residents, groups, organisations and other stakeholders is key to the work of the Foundation. It's only by fully understanding the needs of the town that we can improve our services.

We have worked closely with the community in 2023 running a number of key engagement events, including focused consultation events around the future of Broadway Cinema and the development of our housing projects – both of which you can read more about in this report.

Our main consultation event of the year is the Garden City Meeting, which was held in June. Graham Fisher gave an in-depth presentation on the challenges and successes of 2022, supported by information from the chairman and financial director. You can review the content of the meeting, including presentation slides and video content – visit letchworth.com/news or scan this QR code.



The **unique character** of the town is understood and **celebrated**



Supported families have improved **opportunities** and life chances

ENSURE LETCHWORTH CONTINUES
TO BE A GREAT PLACE TO LIVE



engagement

Ernest Gardiner Treatment Centre

The centre was set up in 1985 as a community facility. Over the years it was very active; the local community donated money to buy equipment and keep services running. The Letchworth Garden City Heritage Foundation operated the service.

Over the years, the number of people using the service reduced, and it became clear that much of the work was being duplicated by Garden House Hospice Care. It was decided in 2019 that the Foundation would gift the building to the hospice – and the Covid-19 pandemic became the catalyst to start this process. The situation forced the Foundation to close down the existing service and, after a short

stint as a vaccination centre, the centre was gifted to Garden House Hospice Care and was relaunched in 2023.

The centre operates two community hubs on Fridays at the Ernest Gardiner Centre. Carla Pilsworth is Director of Income Generation at Garden House Hospice Care – she said: “Our community hubs are where we invite people from the community who aren’t our typical patient in the hospice. They may have a palliative or terminal diagnosis, they may be frail or have a range of things happening that they need support for – but not end of life care. They come to the hub and take part in exercise, horticulture, socialising and just feel part of something that we can offer. We have around 50 people at each session – something we weren’t able to offer before we had this space.

Also we found that before we had this space there was still reluctance to come into the hospice for the hubs – there was a misconception

that hospices are just for end of life care – but we are there for so much more. This centre will help us to dispel the myths. The Ernest Gardiner Centre was built for the local community and we intend to keep it that way – creating a community service that people can enjoy and receive good care from.”

Graham Fisher explains how the Foundation will remain a part of the centre’s journey: “Improving wellbeing is one of our charitable objectives, and one which took the largest cut during the pandemic. We’re pleased to be funding the Community Hubs as well as gifting the building to Garden House Hospice Care – and working in partnership with the hospice team we’re looking at what more we can do to tackle isolation and improve physical wellbeing.”

You can find out more about The Ernest Gardiner Centre and the Community Hubs available at ghhospicecare.org.uk/supporting-you/community-hubs



community

What would you like to do in Letchworth?

Evidence based

In 2023 we undertook an in-depth public consultation around the arts, culture and leisure provision in the town.

The consultation took the form of online surveys and public events. We asked questions around what activities people currently enjoyed, and importantly, what they would like to see more of. This programme of consultation has enabled us to understand what the town currently wants, and to act accordingly. Our *Letchworth Lives and Landscapes* exhibition at Broadway Gallery at the end of 2023 was in direct response to feedback from this consultation.



Letchworth **children** participate in a range of **cultural opportunities**



Reduce isolation in Letchworth particularly for **older people**



Letchworth is known for its **cultural offer**



The **unique character** of the town is understood and **celebrated**

With your support and what you've told us, we've also been able to attract funding for work including:

- “Uncovering Letchworth” – a museum project which will review and refresh the Garden City Collection in partnership with the community to ensure we tell a broader range of stories which reflect our wonderful, diverse community
- Work with schools through providing opportunities and activities for Letchworth's school children, including bringing artists into schools and training teachers
- Enabling us to spend more time supporting arts and culture across Letchworth, enhancing community connections and working together.

You can read more about what we asked and what you said at projectletchworth.commonplace.is

ENSURE LETCHWORTH CONTINUES
TO BE A GREAT PLACE TO LIVE



consultation

Make our venues more financially sustainable

BROADWAY CINEMA AND THEATRE

As we entered 2023, the effects of the Covid-19 pandemic were still being felt at Broadway Cinema and Theatre – notably a significant change in footfall levels. We also noticed our customers' cinema going patterns have changed due to the increasing cost of living. In response to this, and in order to maintain the financial sustainability of Broadway Cinema, some key operating decisions were made in early 2023.

The board has committed to develop a brand-new boutique cinema offer in one of the cinema auditoria, offering an alternative cinema-going experience, in line with the changing needs of our customers. In order to facilitate these exciting developments, to mitigate the soaring costs of operations, and to better align our offer with the patterns of our customers; the Foundation took the decision to consolidate the cinema offer by opening from Wednesday – Sunday each week. The two days' closure will enable the cinema team to focus on delivering the existing first-class cinema offer, better manage costs and work on the further developments.

INITIATE A FINANCIAL RECOVERY ROADMAP



STANDALONE FARM

We began a key partnership in 2023 with *ResilientTogether* – a public/private sector partnership with the aim of improving flood resilience around the Pix Brook which flows through Standalone Farm. This gives us a platform and access to funding to develop more attractions in the farm – including a new educational water play area – which in turn will lead to an increase in day and season tickets. We will continue to reinvest in Standalone Farm and build this popular community asset, with a close eye on ensuring that all developments are in line with our corporate objectives of enhancing financial sustainability.



Letchworth **children** participate in a range of **cultural opportunities**



People's **health and wellbeing** are improved through increased levels of **physical activity** and **community** involvement



Supported families have improved **opportunities** and life chances

investment

Development of a fundraising strategy

2023 saw the launch of the Heritage Foundation's inaugural Fundraising Strategy. It was identified that there are a number of key national funders running programmes which could benefit our organisation, and a Fundraising Manager was recruited at the end of 2022 to explore these opportunities and lead a strategic approach. An ambitious target of £168,000 was set for 2023. Through a strong programme of engagement with a number of key funders, this target was substantially exceeded.



Letchworth **children** participate in a range of **cultural opportunities**



Reduce isolation in Letchworth particularly for **older people**



Letchworth is known for its **cultural offer**



The **unique character** of the town is understood and **celebrated**

CASE STUDY

£98,000 was secured from National Lottery Heritage Foundation to deliver the Dynamic Collections project, Reawakening and Reshaping our Community's Collection.

A key deliverable is the Uncovering Letchworth programme – designed to collaboratively explore our heritage collections with new audiences, working in range of community settings. It will also enrich our collections by discovering unrepresented local stories, celebrating them via a series of co-created engagement projects, community led exhibitions and special events. The project will ensure that our ACE-accredited Garden City Collection better represents the rich and distinct stories of our diverse community today. We believe everyone in Letchworth should see themselves in the stories our museum service tells.

Central to this project is the new Collections Officer role, who will help uncover Letchworth by producing a series of co-created workshops, community gatherings, events and sharing exhibitions.

INITIATE A FINANCIAL
RECOVERY ROADMAP



FUNDRAISING

FUNDRAISING INCOME
SECURED IN 2023

£207,000



fundraising

Maximise our property portfolio

RESIDENTIAL

Our residential lettings remained strong throughout the year. Our regular surveys and engagement with our residents returned good results.

SUSTAINABILITY

Our Sustainability Policy was published on **Letchworth.com** this year. It outlines our nine commitments, which all focus around embracing garden city principles with a modern viewpoint and a close eye on preserving our buildings and green spaces. One of our commitments is to positively influence change by facilitating collaboration with, and between our partners. Our latest carbon emission report is summarized on the following pages, and can be read in full on our **website**.



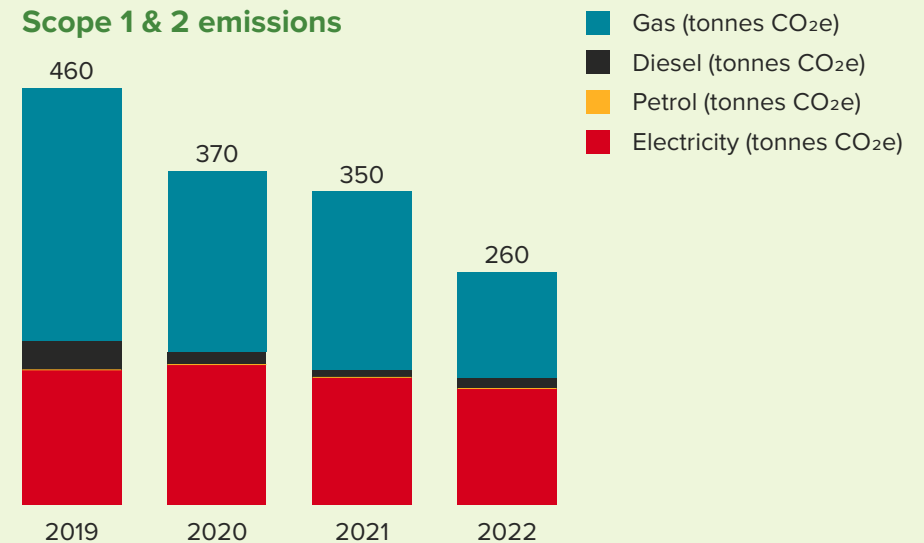
A **high quality** of life in
Letchworth for **all** residents

property

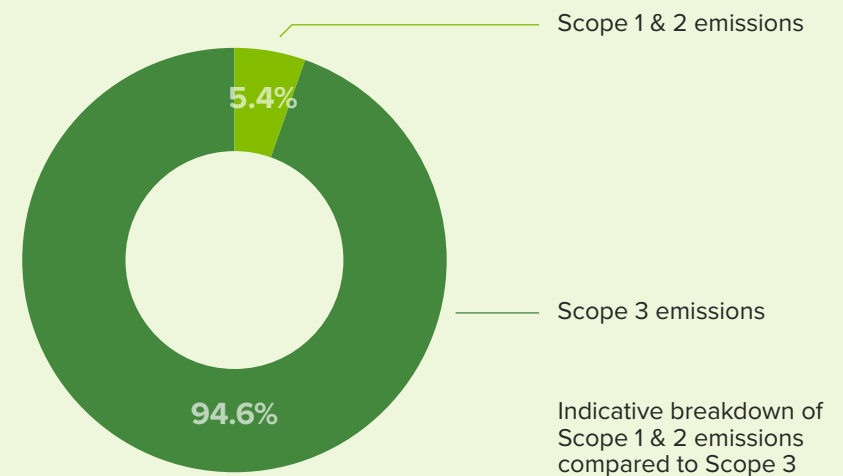
INITIATE A FINANCIAL RECOVERY ROADMAP



Scope 1 & 2 emissions



2022 Scope 1 & 2 and 3 emissions (tonnes CO₂e)



Scope 1 & 2 emissions

INITIATE A FINANCIAL
RECOVERY ROADMAP



Source of emissions	2019	2020	2021	2022	2023	Commentary
Scope 1						
Gas (MWh)	1,519	1,083	1,083	638	Awaiting data	Gas emissions for 2019 to 2022 are based on estimates from the energy broker. Action: Better data should be gathered to update this information at least based on billing. 2023 data has not been supplied by our energy broker.
Diesel (Litres '000s)	12	6	3	5	5	
Petrol (Litres)	162	27	20	20	46	
Gas (tonnes CO ₂ e)	279	199	198	116	Awaiting data	
Diesel (tonnes CO ₂ e)	32	15	7	12	12	
Petrol (tonnes CO ₂ e)	0.36	0.06	0.04	0.04	0.10	Petrol and diesel is from fuel card data and spend from accounts at Standalone.
Scope 2						
Electricity (MWh)	583	657	658	666	Awaiting data	Electricity emissions for 2019 to 2022 are based on estimates from the energy broker. Action: Better data should be gathered to update this information at least based on billing.
Electricity (tonnes CO ₂ e) (Location Based)	149	153	140	129	Awaiting data	
Scope 1 & 2 Total (tonnes CO₂e)	461	368	345	257	Awaiting data	

Scope 3 emissions

Source of emissions	2019	2020	2021	2022	2023	Commentary
Scope 3						
1 Purchased goods and services						Purchased goods and services and capital goods have been calculated using £spend * emission factor from UK Government. These factors are out of date and inaccurate, therefore this information is presented as an indication of our impact.
Purchased goods and services (Management Accounts) (tonnes CO ₂ e)	Not yet calculated	Not yet calculated	Not yet calculated	970	1,229	
2 Capital goods						
Capital goods and services (Management Accounts) (tonnes CO ₂ e)	Not yet calculated	Not yet calculated	Not yet calculated	416	261	

emissions

Scope 3 emissions (continued)

INITIATE A FINANCIAL
RECOVERY ROADMAP



Source of emissions	2019	2020	2021	2022	2023	Commentary
Scope 3 (continued)						
3 Fuel- and energy-related activities (not included in scope 1 or scope 2)						
Electricity Transmission and Distribution losses (tonnes CO ₂ e)	13	13	12	12	Awaiting data	These emissions are directly linked to electricity consumption.
4 Upstream transportation and distribution						
	No data	No data	No data	No data	No data	We have not tracked delivery information for purchased goods and services. It is unlikely that these are significant impacts, and therefore is a low priority area for improvement.
5 Waste generated in operations						
Water (consumed & disposed) (tonnes CO ₂ e)	No data	0.9	1.8	1.9	4.0	Based on billing information – better data required – monthly meter readings.
Waste (tonnes CO ₂ e)	17	8	6	14	12	Data based on estimated emissions using Cawleys services and reports. We do not receive weight information, therefore this is not accurate.
6 Business travel						
Business Travel Claimed (Management Accounts) (tonnes CO ₂ e)	No data	No data	No data	5	10	Business travel impact could be made more accurate by keeping track of train journeys, separate from car. However, since the impact is minimal and likelihood of reducing the impact is small, this should be seen as low priority.
7 Employee commuting						
	No data	No data	No data	No data	No data	Based on estimates, employee commuting may account for up to 60 tonnes annually of carbon emissions. LGCHF provides employees with opportunities to minimise their impact through hybrid working, active travel (cycle to work scheme) and salary sacrifice EV car scheme. Since this impact is relatively small and the ability to impact reductions is limited, the time taken to report this impact will not be repaid in ability to achieve reductions. We will report numbers of staff taking up the EV car and Cycle to Work scheme.
8 Upstream leased assets	N/A	N/A	N/A	N/A	N/A	Requires confirmation.
9 Downstream transportation and distribution	N/A	N/A	N/A	N/A	N/A	Requires confirmation.
10 Processing of sold products	N/A	N/A	N/A	N/A	N/A	Requires confirmation.

emissions

Scope 3 emissions (*continued*)

INITIATE A FINANCIAL
RECOVERY ROADMAP



Source of emissions	2019	2020	2021	2022	2023	Commentary
Scope 3 (<i>continued</i>)						
11 Use of sold products						
Use of sold products (tonnes CO ₂ e)	No data	No data	No data	61	57	This is livestock food sales and livestock sales, therefore the carbon factor is likely to be significantly inadequate to represent emissions. GHG Protocol guidelines state that this category is optional when emissions from sold products are indirect.
12 End-of-life treatment of sold products	N/A	N/A	N/A	N/A	N/A	Requires confirmation.
13 Downstream leased assets						
Downstream leased assets (Management Accounts) (tonnes CO ₂ e)	No data	No data	No data	718	610	This is an area of large concern, as there are likely significant levels of unknown CO ₂ emissions from activities that are carried out on our leased buildings and land. We should make plans to gather more accurate information due to the result of our downstream leased assets.
14 Franchises	N/A	N/A	N/A	N/A	N/A	Requires confirmation.
15 Investments						
Investments (tonnes CO ₂ e)	No data	No data	No data	879	795	Investments includes our listed investments as well as pension investments. The carbon factor for our listed investments uses the value reported by one of our fund managers. The carbon factor for pensions was based on an S&P Global factor.
Scope 3 Total (tonnes CO₂e)	Insufficient data			3,091	2,989	

The table above presents our carbon emissions based on the best available information at the time of publishing. It is therefore an indication of our carbon footprint, and values stated may be subject to change. Any discrepancies in totals are due to rounding within the tables.

emissions

Regeneration strategy

INITIATE A FINANCIAL
RECOVERY ROADMAP



COMMERCIAL

Our commercial lettings continued to pose a challenge, mirroring the national picture of industry still affected by the Covid-19 legacy.

From a social perspective, many businesses are relying more on a hybrid or remote workforce reducing the need for office space.

We will be continuing to balance the need to provide lettable commercial space with our charitable objects and other strategic aims as a part of our regeneration strategy moving into 2024. Market conditions have a substantial impact on our commercial property planning. As well as the cultural shift in working patterns, there has been an upward move in the cost of keeping properties compliant with regulations which contributes to lower rental yields.

Our commercial lettings strategy has resulted in a number of key lettings, including a high profile repurposing of the old Grammar School; letting to one of the UK's leading performing arts academies *Emil Dale*, who will be moving more than 600 students to the town in 2024.



The town centre is **vibrant**



The **unique character** of the town is understood and **celebrated**



Develop Place Branding for Letchworth Garden City

In 2023 we led on an ambitious project to deliver a new Place Brand strategy for Letchworth Garden City.

A Brand Development Group was brought together with the objective of designing a brand strategy in consultation with the community. The strategy was produced in 2023 alongside a suite of creative and a new town logo, plus a toolkit for to ensure a successful brand rollout.

Letchworth Garden City is a thriving town full of committed and passionate people, companies and organisations; each with different stories to tell about their home. The brand gives a town a united tone of voice, and brings together a set of values which are consistently communicated. Through this united approach, Letchworth Garden City will be positioned with more authority on a regional, national and international stage.

The brand values mirror those values and aspirations of the town, and bring them together. These statements are reflected in the creative output of the branding project, and should underpin any brand collateral produced.

- Letchworth is a great place to work and do business
- Letchworth is the world's first garden city, retaining the initial principles whilst being forward thinking
- Letchworth is a great place to grow up
- Letchworth is for everyone
- Letchworth has an aspiration to be known as a cultural destination

You can read more about the brand and download the toolkit at discoverletchworth.co.uk

INCREASE INVESTMENT
IN LETCHWORTH



develop



A **high quality** of life in Letchworth for **all** residents



The town centre is **vibrant**



The **unique character** of the town is understood and **celebrated**



**LETCHWORTH
GARDEN CITY**



Respond to the outcome and opportunities from the Local Plan

INCREASE INVESTMENT
IN LETCHWORTH



Both the LG1 and LG3 developments have seen significant progress during 2023.

Following the adoption of the Local Plan late 2022, the planning application for the LG3 development, which is a site for 120 new homes to the east of the Flint Road allotments, was considered by the Council's Planning Committee, who resolved to grant planning permission. This followed a significant piece of work on a master plan and other supporting documentation.

We have since been working on the final stages of the legal agreement attached to the permission, which confirms 40% of homes will be affordable partnering with a Housing Association and the Council having nomination rights. This also includes improvements to the footpath access for Norton St Nicholas School and improved facilities at adjoining allotments.

There will also be a range of financial contributions to local social infrastructure, such as youth facilities, libraries and special education, along with local transport, including safety improvements and enhancements to the bus stop facilities. We are hoping that this legal agreement will be completed in 2024 and a suitable partner found to bring forward the development.

The land to the north of the Grange also saw significant progress during the year, with further stages of consultation on master plan options, completion of background technical reports and detailed work on archaeology and ecology. Under a formal agreement with the District and County Councils, the Foundation has been able to work collaboratively with them on the development of the strategic master plan that will shape the future development of this land. This will be completed in 2024 with a preferred master plan option to be considered by the Council. This will enable the Foundation to commence the process of finding a partner in 2024.



A **high quality** of life in
Letchworth for **all** residents



The **unique character** of the town
is understood and **celebrated**



The town centre is **vibrant**

planning



Strategy 2028

2024 marks the launch of **Strategy 28**, which will outline our pledges, commitments and operational objectives for the coming five years. The strategy is currently being produced by our executive team and Board of Trustees and will be available to view at **Letchworth.com**



A **high quality** of life in Letchworth for **all** residents



The **unique character** of the town is understood and **celebrated**

Our Vision

That living in Letchworth Garden City offers everyone the opportunity to flourish as part of a vibrant community enjoying the best that both town and country offers, benefitting from easy access to nature and with unrivalled facilities, culture and support networks.

Our Mission

We manage our assets and investments to generate income that enables us to care for the Garden City estate and support our local community, providing access to green spaces and a range of culture, heritage, learning and leisure facilities. We fund and support local organisations working to improve everyone's quality of life and meet our charitable objectives.

INCREASE INVESTMENT
IN LETCHWORTH



For continuing updates about the development of **Strategy 28**, follow us on our social media channels and visit **Letchworth.com**, where you can also sign up to our regular e-newsletter.



Governance Structure and Management

The Foundation is registered with the Financial Conduct Authority (FCA) as a Community Benefit Society under registration number 28211R under the Co-operative and Community Benefits Societies Act 2014.

Our charitable aims are set out in the Letchworth Garden City Heritage Foundation Act 1995 and its governing document, *The Rules of Letchworth Garden City Heritage Foundation*. The 1995 Act transferred the assets, role and responsibilities of the Letchworth Garden City Corporation to us.

The Foundation is an exempt charity and is also recognised by HMRC as a charity for tax purposes. The Charities Act 2011 in Schedule 3 lists those organisations which are exempt charities. Included in the list are charitable community benefit societies within which the Foundation falls.

The objects of the Foundation are for exclusively charitable purposes. This is recognised by a Scheme of 31 July 2012 of the Charity Commission for England and Wales, which altered the Foundation's Rules to require that the prior written consent of the Charity Commission must be obtained before making any amendment to the objects.

The objects of the Foundation are for exclusively charitable purposes

Our teams work across a broad range of areas covering the six charitable commitments ('objects') set out in our constitution:



We have a community governance model in place, with 30 Governors – at least seven of these are elected by Governors to sit on our Board of Trustees. Most Governors come from the Letchworth community and are appointed based on their field of expertise (such as finance, property management/development, IT, housing or town planning) meeting the needs of the Group.

We have provided additional reference and administrative details on page 90.

The Board of Trustees

The Board of Trustees comprises charity trustees as defined by section 177 of the Charities Act 2011. Trustees qualify as members under the Co-operative and Community Benefit Societies Act 2014. All are volunteers who are not paid for their work as Trustees. They are appointed in one of three ways:

- **Election** – up to seven Trustees are elected by Governors.
- **Appointed** – up to five Trustees can be appointed through a competitive, external recruitment process undertaken by the Board.
- **Nominated** – one Trustee is from Hertfordshire County Council and one from North Herts Council.

Nominated Trustees are appointed annually. All other Trustees hold office for four years but can then be re-elected for a further four years. The Board of Trustees sets out our vision, agrees our strategy and monitors the performance of the Management Team. Every year it elects a Chair and Vice Chair from its own members and typically, there are six Board meetings a year. The Board formally delegates the management of the Foundation and its subsidiary to the Chief Executive. It makes strategic decisions based on reports and recommendations from the Management Team. Trustees and employees with budgetary responsibilities complete an annual declaration to disclose any personal interests they may have in the Foundation, its subsidiary, partners or community. In this way we can make sure that decision-making and other processes are not affected by individual interests. Our Grants Committee also completes a similar declaration to make sure that any conflicts of interest are recognised and managed when awarding money to local clubs and organisations.

governance

Responsibilities of the Board of Trustees in respect of the Financial Statements of the Foundation

Our Board of Trustees prepares Financial Statements for each financial year in line with the Co-operative and Community Benefit Societies Act 2014, the Letchworth Garden City Heritage Foundation Act 1995 and the Statement of Recommended Practice, Accounting and Reporting by Charities (FRS 102).

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Society and of the Income and Expenditure for the period of account.

In preparing these financial statements, the Board of Trustees is required to:

- Select suitable accounting policies and applies them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Society will continue in business.

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Society and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Community Benefit Societies (Group Accounts) Regulations 1969. It has general responsibility for taking reasonable steps to safeguard the assets of the Group

and Society and to prevent and detect fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Board has reviewed our financial position and financial forecasts, taking account of the levels of liquid resources, and the systems of financial control and risk management. As a result of this review, the Trustees have a reasonable expectation that the Foundation and its subsidiary have adequate resources to continue in operational existence for the foreseeable future. As a consequence, Trustees continue to support the going concern basis in accounting for preparing the annual accounts.

Disclosure of information to the auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the auditors are unaware
- They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Letchworth Commissioner

In accordance with the Letchworth Garden City Heritage Foundation Act 1995, a Letchworth Commissioner is appointed by the President of the Law Society for the purpose of conducting independent investigations into complaints of alleged maladministration. The current Letchworth Commissioner is Paul Barnes and his address is listed on page 91.

Grant-making policies

The Board supervises the Grants Committee in its day-to-day responsibilities for grants policies, procedures and awards. The Committee can award grants of up to £25,000 and the Board makes the final decision on grants above this sum. The Grants Committee consists of four Trustees and four other Governors. It is chaired by a member of the Board of Trustees.

Public benefit

When reviewing our charitable commitments and planning future activities and grants, the Board refers to the Charity Commission guidance on public benefit. The Board believes that our commitments meet these guidelines and the relevant charitable purposes as defined by the Charities Act 2011.

Statement of policy on fundraising

The Board has committed to comply with the Code of Fundraising Practice. At present, we deliver all fundraising activities internally with the support of a small team of

consultants who undertake fundraising activities as part of their role. All staff work to the Code of Fundraising Practice and all activity is overseen and monitored by the Executive Director of Communities, Culture & Heritage. We have had no complaints or failures to comply with the code and we monitor all donations to ensure that vulnerable people are protected.

Setting pay and gender pay gap

Salaries are based on the level and responsibility of each role and we continue to pay all roles no less than the Real Living Wage. From time to time we compare our salaries, including those of the CEO and senior management, with those of other organisations to make sure we are in keeping with the market. Our Trustees approve pay levels and any annual inflationary increase. The general pay award for 2023 was 5%. The gender pay gap measures

the differences in average hourly pay between men and women. As at December 2023, based on median pay for all staff, we operated with a 3% gender pay gap in favour of men. At 35%, there is a more significant gender pay gap based on mean pay. **We have published a separate report on our Gender Pay gap** and the proactive steps we are taking as an equal opportunities employer.

Risks and uncertainties

The Board is responsible for setting up an effective risk-management framework across the Group and our Risk Management Policy sets out the process that we use to identify and manage risks in all our activities. The Risk and Internal Audit Committee works on behalf of the Board to monitor and review the effectiveness of our internal controls. Risk management is supported by individual departmental risk registers and an overarching corporate risk register. In addition to the Trustees' biannual review of the corporate risk register, our Leadership team reports to the Risk and Internal Audit Committee every three months.

In the course of this review, the Board has determined four main factors: the major risks to which the Foundation is exposed; the potential impact if an individual risk materialises; existing internal controls and accountability for them; and what mitigating action should be taken (and by whom) in order to reduce each risk to a level that the Board considers to be acceptable. This position is recorded in our corporate risk register, which will continue to be formally reviewed by Trustees at least twice every year. The register is continually monitored by the Executive Team.

Because of the range and type of our operating activities, we have a strong focus on risk management across a broad range of areas, including:

- Risks to income and liquidity
- Economic risks, including the effects of high inflation and recession
- Landlord and employer health and safety
- Data protection and cyber security
- Risks that may affect property lettings
- Protecting vulnerable people

We commission a rolling programme of internal audits to assess how we are managing risk and the effectiveness of our management controls. This service is outsourced to RSM UK in accordance with professional standards. The audit reports are reviewed by the Risk and Internal Audit Committee on behalf of the Board.

In 2023 we:

- Agreed a new Strategic Plan through to 2028, including an approach to materially diversify our long-term investments.
- Collected 95% of rent due within three months of charges being raised.
- Conducted an employee happiness survey to increase our focus on employee engagement and wellbeing.
- Agreed a measurable set of 'early warning signs' / financial controls with Trustees for controlling our budget.
- Commissioned independent audits on topics ranging from recruitment, cyber security, data quality and landlord health and safety.

We have committed
to pay all roles
no less than the
Real Living Wage.

governance

We identified and monitored key risks at various levels across the organisation, including the following.

Risk	Mitigating Actions
Leadership and management capacity insufficient to deliver strategy on budget, on time and in a manner acceptable to key stakeholders (staff, board, governors, customers, wider community).	<ul style="list-style-type: none"> ■ Regular Leadership Team meetings with updates to Chair/Trustees between Board meetings. ■ Strategy to 2028 approved by the Board in November 2023. ■ Property Team and Housing development resourcing review is underway and proposals for expansion in line with fulfilling Strategy 2028. ■ Agile and flexible working practices now embedded, managed and valued. ■ Contingency plans in place to manage Leadership Team absence and maintain business plan progress.
Risk that we fail to comply with health and safety responsibilities that apply to us as a landlord, an occupier of buildings and land.	<ul style="list-style-type: none"> ■ Management of commercial (investment) estate outsourced to specialist supplier (Savills). ■ Foundation retain full access and visibility of the RiskWise system and 'live' status is monitored. ■ Dedicated Health & Safety role employed directly by the Foundation. ■ Risk & Internal Audit Committee review and challenge landlord health and safety compliance at all meetings (quarterly). ■ Three monthly reporting to Board of data through our KPI report.

Risk	Mitigating Actions
Difficult trading conditions, including high inflation, and recession, causing local businesses & charities to fail.	<ul style="list-style-type: none"> ■ Close monitoring of voids and bad debts, including forecast performance, via monthly management accounts and KPIs. ■ Work constructively with tenants on viable arrears repayment plans. ■ Early warning signs / KPI tolerances agreed with Board. ■ Policy of holding minimum of £2.5m in cash and £7m in listed investments provides liquidity / time to adjust in times of crisis. ■ Stress testing of our finances, plus documented mitigation strategies to counter effects of adverse scenarios.
Risk that we fail to manage the organisation's reputation in the local community , leading to negative image, poor decision making and disproportionate consumption of management, governor and trustee time.	<ul style="list-style-type: none"> ■ Regular community consultation activity held to ensure the views of the town are reflected in our work. ■ Proactively monitor press and social media activity and respond. ■ Community engagement strategy for Local Plan: work closely with appointed agency on delivery of Local Plan, incl. LG1 & 3 developments. Ensure feedback is monitored and actioned as appropriate.

Financial Review of 2023

Overview

2023 was a year of consolidation and agreeing our strategy through to 2028.

Our ongoing focus on rent collection led to steady performance improvement and a healthy reduction in brought forward tenant arrears. Conversely, rent losses from empty properties continued to rise, with the effect largely countering the improvement in rent collection. Post COVID, the office sector is a long-term challenge, with demand for large offices remaining particularly muted. The operating environment for the cinema remains subdued and, at times, erratic which has led us to take the difficult decision to close the venue for part of the week.

As we progressed through 2023, the effects of rising interest rates and stubbornly high inflation negatively impacted our strategy. Our ability to dispose of a selection of property investments (a strategy designed to rebalance our blend of long-term investments) was made more difficult by changes in market conditions.

Despite the challenges, the organisation spent over £5.5m on charitable activities in the year. Having gathered a greater understanding of our stock condition, we also increased the amount spent on property management and maintenance (up £1.3m). Greater investment in maintaining investment properties will help protect income in future years.

Looking ahead, the need to invest more to improve the EPC ratings of our let and owner-occupied properties will increasingly dictate the headlines surrounding our financial results in the years to come. In parallel with this investment, our planned asset disposal programme will allow us to manage future maintenance obligations and add greater diversification to our long-term investments (and in turn, our sources of income). This approach will make the organisation more resilient and allow us to further expand our charitable services for the benefit of the local community.

Financial results for 2023

Our financial performance in 2023 remained steady. The Group reported net income before gains on investments of £1,432k (2022: £1,715k). Underlying results, excluding surpluses from the sale of land and buildings, returned a £1,395k surplus at Group level (2022: £1,250k). Results for the year were stronger than budget with rental income, dividends and bank interest exceeding initial expectations. There were also some delays in the delivery to parts of our planned works programme.

An operating surplus provides important funding for our capital expenditure programme (the value of which far outweighs the value of depreciation charged against operating surplus). The programme focusses on maintaining and improving the fabric of our venues and investment properties. In 2023 we committed £824k by way of additions to investment properties and £664k to operational assets.

Turnover increased by £292k to £13,884k (up 2.1%) year on year. Underlying turnover, i.e. excluding non-recurring asset sales, increased by £697k (up 5.3%).

Results for the year were stronger than budget with rental income, dividends and bank interest exceeding initial expectations.

An operating surplus is both necessary and important as it provides funding for our capital expenditure programme.

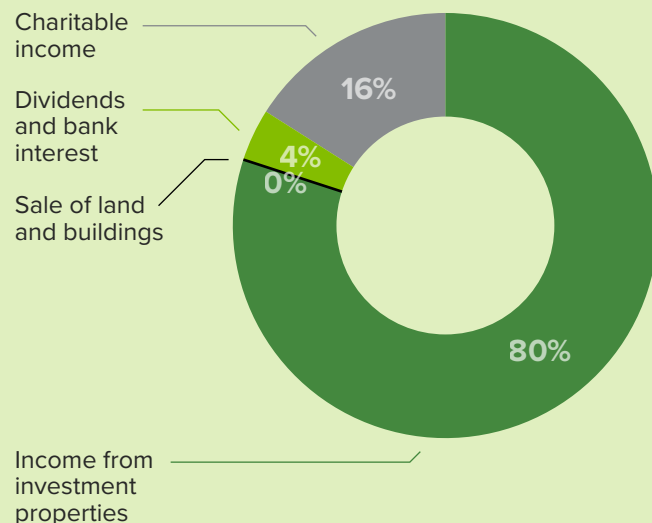
finance

Financial results for 2022 (continued)

Income from investments, excluding the sale of land and buildings totalled £11,614k (2022: £11,001k). The £613k year on year increase in income (up 5.6%) is caused by a combination of increased revenue from our property and listed investments, together with an increase in the value of bank interest receivable. Charitable income rose to £2,213k in 2023 (2022: £2,129k). A £84k rise in income from charitable activities represents a year-on-year increase of 4%. Across all categories of charitable income, we received grants of £18k (2022: £157k). Total expenditure in 2022 was £11,877k (2021: £11,612k).

Total expenditure in 2023 was £12,452k (2022: £11,877k). After eliminating the effect of fluctuating asset sales, which cost £23k more in 2023, our underlying year-on-year increase in expenditure was £552k (4.6%).

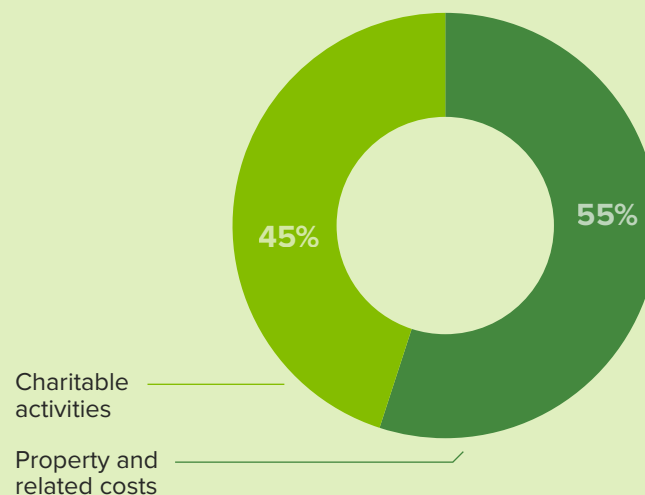
2023 income, £13.9m



The overall increase is underpinned by the rising cost of managing and maintaining the property estate (the cost of which rose by £1,296k, 23.3% year-on-year). Expenditure on charitable activities decreased to £5,588k in 2023, down from £6,309k in the previous year. The apportioned share of Support Costs to charitable activities was lower in 2023, in part because 2022 included some non-recurring items and also because of the increased scale of property management and maintenance activities led to a higher share of Support Costs being attributed to Investments.

Across all funds, the Group achieved net income before gains on investments of £1,432k (2022: £1,715k).

2023 expenditure, £12.5m



Gains on investments amounted to £260k (2022: £15,141k) and reflect a combination of gains and losses across different asset classes. Our ethical listed investments reported encouraging capital growth across 2023 (up £722k, 5.9%) as did elements of our industrial and agricultural property portfolio. We saw downward valuation movements within our residential and office property investments. Changes to the valuation of future obligations underpinned the £2,889k actuarial loss on our pension revaluation. In particular, an inflationary uplift of 10.1% was significantly higher than the pension increase rate assumption built into the obligations at the start of the accounting period.

Taking account of net income for the year of £1,432k, the £2,889k actuarial loss on pension valuation and the £260k gain on investments, the Group reported an overall decrease in funds of £1,197k (2022: increase £30,100k).

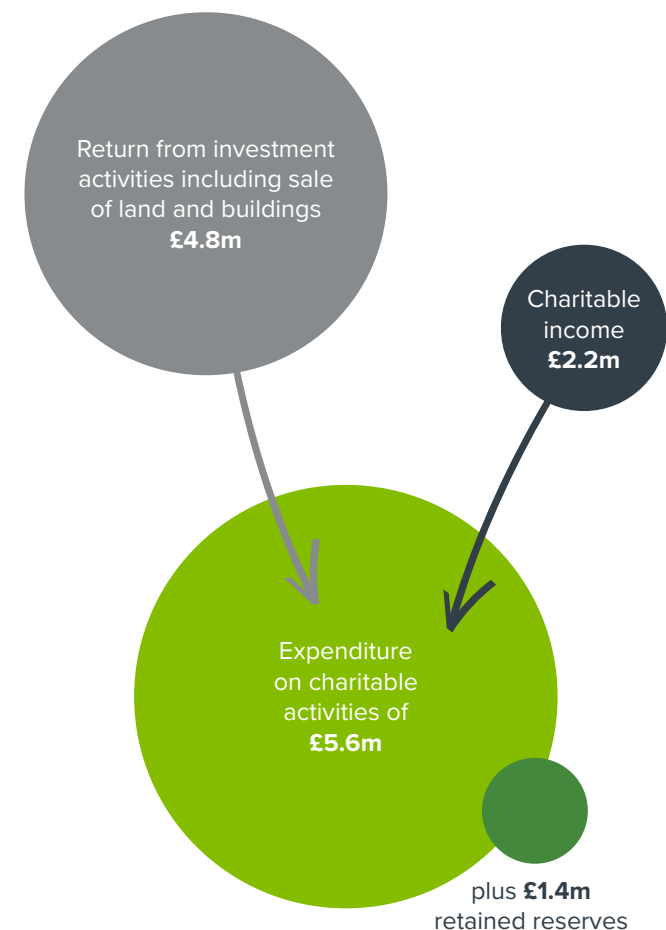
Underlying turnover, i.e. excluding non-recurring asset sales, increased by £697k (up 5.3%).

finance

Statement of financial activities – summary view

	2023 £'m	2022 £'m	Notes
Income from:			
Investments	11.6	11.0	Figures based on contracted lease income.
Property sales	0.1	0.5	Fluctuating value of asset sales received by trading subsidiary.
Charitable activities	2.2	2.1	Primarily revenue from Cinema and Farm attractions.
Total income	13.9	13.6	Total income up 2%, excluding fluctuating property sales reveals underlying turnover is up 5%.
Expenditure on:			
Investment property management	6.9	5.6	Cost increases, including property repairs and maintenance.
Cost of property sales	–	–	Fluctuating cost of asset sales.
Charitable activities	5.6	6.3	Decrease is lined to non-recurring costs incurred in 2022.
Total expenditure	12.5	11.9	Total expenditure up 5%.
Net income/ (expenditure) before gain on investments	1.4	1.7	Surplus for 2023 linked to income growth and lower support costs in 2023.
Net gain on investments	0.3	15.1	Driven by net increases to the fair value of investments (includes property and listed investments).
Actuarial gain/(loss) on pension scheme	(2.9)	13.3	Derived from the annual FRS 102 pension valuation carried out by independent actuaries.
Net Movement In Funds	(1.2)	30.1	

How we funded £5.6m of expenditure on charitable activities



finance

Investment performance

We spent £6,864k on managing, maintaining and selling investment properties. We funded these activities from investment income, which totalled £11,671k. This resulted in a net return of £4,807k (2022: £5,895k). The year-on-year decrease arose because our property-related costs are rising faster than the associated income. This is in part due to the increased costs associated with property maintenance and improvements, including work to secure improved EPC ratings.

Under our operating model, returns from investing activities (primarily, but not limited to excess income remaining after managing and maintaining our property portfolio) are available to invest in charitable community services. Net income from investing activities (£4,807k) represents an income-based return equating to 2.1% of the closing value of investments held within the balance sheet. The £4,807k net return from investment activities, together with charitable income of £2,213k, allowed us to spend £5,588k (2021: £6,309k) on furthering our charitable objectives.

Our listed investments are becoming an increasingly important proportion of our balance sheet. They are ethically screened, held for the long term and target average returns over a ten year horizon of Consumer Price Index plus 4% (CPI+4%) per year. Our listed investments are held within two separate funds, namely, the Charities Ethical Investment Fund managed by CCLA and the Charity Sustainable Multi-Asset Fund managed by Schroders. Average annualised returns for both (listed investment) funds across the last five years are between 9.9% and 7.5%. Their combined end-of-year market value was £12,983k (2021: £12,269k).

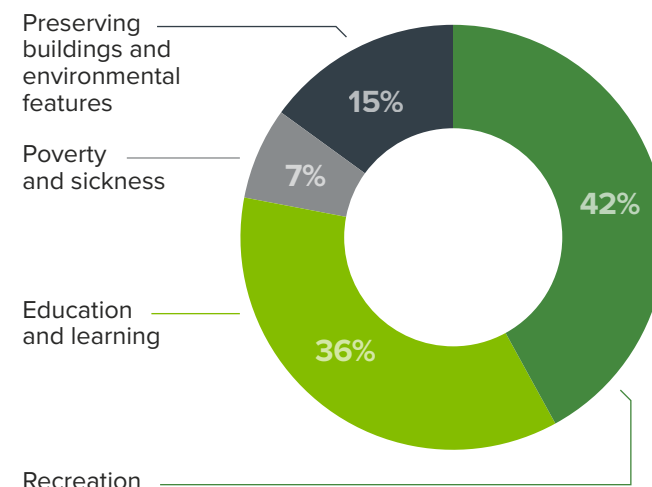
How our income was spent in 2023

Investment in property management and maintenance (maintaining our income) amounted to £6,864k, leaving £7,020k of our 2023 income available to advance our charitable objectives, fund capital improvements to our buildings and reinvest. We spent £5,588k operating charitable activities, leaving a balance of £1,432k for capital works and reinvestment. During 2023, capital expenditure amounted to £824k to enhance investment properties and £664k on operational assets.

The cash generated from operating activities, including land and building sales, provided important funding for our capital maintenance and investment programme.

We committed £824k by way of additions to investment properties and £664k to operational assets.

2023 charitable expenditure, £5.6m



Figures include an apportioned share of charitable support costs.

The financial return from investing activities (£4,807k in 2023) directly funds our charitable activities.

finance

Income – an overview

- Our total income was £13,884k (2022: £13,592k) – an increase of £292k, 2.1%.
- Our total investment income was £11,671k (2022: £12,463k):
 - £11,081k from investment properties (2022: £10,638k)
 - £57k arising from the sale of land and buildings (2022: £462k)
 - £533k from dividends and interest (2022: £363k).
- Income from our charitable activities totalled £2,213k and included:
 - £1,238k from the Broadway Cinema (2022: £1,168k)
 - £874k from our Educational Farm (2022: £789k).
 - Other charitable income amounted to £100k (2022: £172k).

Across all charitable income categories, we received grants totalling £18k (2022: £157k).

Expenditure – an overview

- Our total expenditure was £12,452k (2022: £11,877k) – an increase of £575k, 4.8%:
 - £6,844k – managing ongoing investments (2022: £5,571k). This represents a year-on-year increase of £1,273k (23%), driven primarily by rising cost of void and landlord retained properties together with an increase in the cost maintaining investment properties.
 - £20k cost associated with land and building sales (2022: £3k credit).
 - £5,588k – charitable activities (2022: £6,309k). The reduction stems from charitable services receiving a smaller overall share of apportioned Support Costs.

Overall, expenditure rose considerably year-on-year led by the effects of relatively high inflation and our ongoing strategy to improve the quality of our investment properties. Despite the pressure on rising cost of property maintenance, we are proud to have continued our programme of supporting local beneficiaries via our grants programme with £523k awarded in the year (2022: £486k).

We are proud to have continued our programme of supporting local beneficiaries via our grants programme with £523k awarded in the year.

Net income before gains on investments was £1,432k (2022: £1,715k)

Net gains on investments amounted to £260k (2022: £15,141k)

- The overall gain on investments for 2023 contained a downward valuation movement for the assets in our investment property portfolio, notably led by the residential and office sector. Collectively our investment properties reported an reduction in value of £1,042k (2022: increase £16,259k).

- Gains arising from the disposal of property investments, amounted to £579k (2022: £20k).
- Listed investments within the Cazenove Sustainable Multi-Asset Charitable Fund and the CCLA-managed Ethical Investment Fund for Charities reported a revaluation gain of £723k (2022: £1,138k loss). This gain is reported with Unrestricted Funds.

Other recognised gains and losses

The £2,889k actuarial loss on the LGPS pension scheme was derived from the annual FRS 102 pension valuation carried out by independent actuaries on behalf of the scheme. The valuation at the end of December 2023 on an ongoing basis, as reported in the balance sheet, has an excess of assets over liabilities of £6,690k.

Balance sheet

At the end of the financial year, we reported total net assets of £247,763k (2022: £248,960k). Total Unrestricted Funds were £32,604k (2022: £33,371k). Cash balances, including money held on behalf of tenants in the form of deposits and cash-backed sinking funds, stood at £11,872k (2022: £10,242k). The operating results for the year, together with proceeds from the sale of land / buildings, enabled us to fund capital expenditure on operational assets, plus make improvements to investment properties. The value of the Group's investment property portfolio reduced marginally to £214,529k (2022: £215,179k).

finance

Subsidiary company results

As a society registered under the Co-operative and Community Benefit Societies Act 2014 and with charitable status, we cannot trade commercially for profit. Our subsidiary company, Letchworth Garden City Trading Limited (LGCT) makes qualifying charitable donations from its profits to the Foundation. In 2023 it reported an overall profit, before gift aid distributions, of £14k (2022: £413k). The reduction in profit is due to the fluctuating value of land and building sales between years.

Funds

Unrestricted Fund: this includes our statutory reserves (excluding the Endowment Fund) plus the amounts held by LGCT. It supports the day-to-day operations that help us meet our aims. Where appropriate, Trustees approve a transfer from the Endowment Fund to the Unrestricted Fund, to ensure that the available funds element is adequate but not excessive. During 2023 no transfer from the Endowment Fund was needed (2022: nil) and the end-of-year balance was £32,604k (2022: £33,371k). A £48k transfer from the Unrestricted Fund to the Restricted Fund was required in 2023 to reflect the restricted nature of fundraised income received in advance (2022: nil).

Endowment Fund: this comprises the funds given to us as expendable endowment on 1 October 1995. It consists of investment properties (including any properties being built) and amounts not yet reinvested that we have received from (or that are owed to us from) selling investment properties.

The Endowment Fund increases if our investment properties rise in value (based on an annual revaluation) and if we record surpluses on disposals. It decreases if properties fall in value and if we record deficits on disposals. If we sell an investment property from the Endowment Fund, we can either use the money to buy other investment properties or transfer it to our Unrestricted Fund, to spend on other charitable aims. The end-of-year balance was £215,108k (2022: £215,586k). The figure includes unrealised gains arising from the revaluation of investment properties amounting to £139,316k (2022: £140,783k).

Restricted Fund: this represents reserves that are held for specific purposes, such as grant income that must be used for specific charitable purposes. The end-of year balance was £51k (2022: £3k).

Reserves Policy

The Board of Trustees considers the key measure of sustainability for the Group to be current and future liquidity cover, rather than the surplus or deficit accounting position.

The Trustees have not set a particular policy around holding a set or minimum level of accounting reserves. Instead, they require a minimum of £2.5m to be held in available cash and £7m available in the form of listed investments. In the event of the Group facing difficult financial circumstances, the Reserves Policy provides for a period of managed adjustment to new circumstances.

Excluding cash held on behalf of tenants in the form of deposits and sinking funds, at the end of 2023 the Foundation held £8,255k in available cash and £12,983k in listed investments (2022: £6,529k available cash and £12,269k in listed investments).

Defined Benefit Pension Scheme

On 1 December 2018 the Foundation became a closed member of the Hertfordshire County Council Pension Fund. The scheme is closed to new entrants and its assets are held separately from those of the Foundation.

The most recent triennial valuation was carried out as at 31 March 2022 using the projected unit method. The scheme's assets were taken into account at their fair value on the valuation date. The valuation, updated to 31st December 2023, revealed an excess of assets compared to liabilities. The excess under FRS 102 at 31 December 2023 was £6,690k (2022: deficit £8,809k).

finance

Investment Policy

Our diverse property portfolio is the primary source of income that supports our charitable expenditure each year on behalf of the Letchworth community. The income comes from our freehold properties, long-leasehold properties and rack-rented properties in the industrial, commercial, retail and residential sectors.

Our strategy through to 2028 recognises the value of increasing the diversification of our long-term investments. While the Foundation will always remain heavily committed to property-based investments, rebalancing the portfolio to increase the value of listed investments will lead to greater resilience and reduce future management and maintenance obligations.

Our Property team manages the estate and proposes estate improvements that aim to maximise value. When appraising assets we make realistic allowances for empty properties and future maintenance obligations. We base rents on local and regional market information. The team seek rental evidence through internal staff and property consultants. All proposals are option tested, including detailed financial appraisals and broader considerations including social value and heritage significance. Once the Leadership team is satisfied with the proposals, it discusses them with the Board of Trustees.

When we invest in listed investments we take care to ensure they do not have exposure to investments that may be considered ethically sensitive and potentially inconsistent with our mission and objectives.

At the end of 2023, £8,763k was held within Cazenove Capital Management's Sustainable Multi-Asset Fund, which aims to provide income and capital growth in line with the Consumer Price Index + 4% per annum over rolling ten-year periods by investing in equities, bonds and alternative assets worldwide. This fund provides an annual income to the Foundation. £4,221k is held within the Ethical Investment Fund for Charities, which is managed by CCLA. This Fund aims for long-term protection from inflation from a portfolio which reflects ethical and responsible investments. All returns from Ethical Investment Fund for Charities are reinvested for capital growth. The ultimate purpose of the CCLA-managed fund is to provide the resources to meet the cessation debt associated with the Hertfordshire County Council Pension Scheme. Performance of both these funds are measured against target returns of CPI+4% over the medium to long-term.

We will continue to monitor our approach to all our investments. Our aim is to ensure that the form in which they are held remains appropriate to the economic and investment environment as it changes. We take account of our obligations to meet rising EPC property letting standards and the broader financial and strategic needs of the Foundation.

This report, incorporating the Strategic Report, was approved by the Board of Trustees on 14 May 2024 and signed on its behalf.



G Hawkins
Chair

Independent Auditor's Report

to Letchworth Garden City Heritage Foundation

audit

Opinion

We have audited the financial statements of Letchworth Garden City Heritage Foundation (the 'Society') and its subsidiary (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated and Society Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet of the Group and Society, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies in note 1. 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 Group's and of the Society's affairs as at 31 December 2023, and of the Group's income and expenditure and the Society's 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 Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969.

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 Group and the Society 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 Group's and the Society'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 Board of Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

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

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Society Act 2014 requires use to report to if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Group and Society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Responsibilities of the Board of Trustees statement set out on page 38, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

audit

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Society'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 Group or the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Group and Society, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Charities SORP 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society 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 Society for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Chartered Accountants and Statutory Auditor
150 Minories
London
EC3N 1LS

Statement of Financial Activities – Group

(Including an Income and Expenditure Account)

for the year ended 31 December 2023

	Notes	Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Income from:						
Investments		11,671	–	–	11,671	11,463
Charitable activities		2,177	–	36	2,213	2,129
Total income	3	13,848	–	36	13,884	13,592
Expenditure on:						
Investment property management		6,864	–	–	6,864	5,568
Charitable activities		5,552	–	36	5,588	6,309
Total expenditure	4	12,416	–	36	12,452	11,877
Net income/(expenditure) before gain on investments		1,432	–	–	1,432	1,715
Net gain/(loss) on investments		738	(478)	–	260	15,141
Net income/(expenditure) before taxation		2,170	(478)	–	1,692	16,856
Corporation Tax	7	–	–	–	–	–
Transfers Between Funds		(48)	–	48	–	–
Other recognised gains and losses						
Actuarial (loss)/gain on pension scheme	16	(2,889)	–	–	(2,889)	13,244
Net movement in funds		(767)	(478)	48	(1,197)	30,100
Fund balances brought forward at 1 January	17	33,371	215,586	3	248,960	218,860
Fund balances carried forward at 31 December	17	32,604	215,108	51	247,763	248,960

All of the Group's activities relate to continuing operations.

Letchworth Garden City Heritage Foundation is a registered society under the Co-operative and Community Benefit Societies Act 2014, with charitable status, registered number 28211R.

The notes on pages 55 to 89 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 14 May 2024 and were signed on its behalf by:

G Hawkins

G Hawkins
Chair

C Pattison

C Pattison
Vice Chair

Graham Fisher

G Fisher
CEO and Company Secretary

14 May 2024

Statement of Financial Activities – Letchworth Garden City Heritage Foundation

(Including an Income and Expenditure Account)

for the year ended 31 December 2023

	Notes	Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Income from:						
Investments		11,590	–	–	11,590	11,377
Charitable activities		2,177	–	36	2,213	2,129
Total income	3	13,767	–	36	13,803	13,506
Expenditure on:						
Investment property management		6,799	–	–	6,799	5,508
Charitable activities		5,552	–	36	5,588	6,309
Total expenditure	4	12,351	–	36	12,387	11,817
Net income/(expenditure) before gain on investments		1,416	–	–	1,416	1,689
Net gain/(loss) on investments		738	(478)	–	260	15,141
Net income/(expenditure) before taxation		2,154	(478)	–	1,676	16,830
Corporation Tax	7	–	–	–	–	–
Transfers Between Funds		(48)	–	48	–	–
Other recognised gains and losses						
Actuarial (loss)/gain on pension scheme	16	(2,889)	–	–	(2,889)	13,244
Net movement in funds		(783)	(478)	48	(1,213)	30,074
Fund balances brought forward at 1 January	17	33,320	215,584	3	248,907	218,833
Fund balances carried forward at 31 December	17	32,537	215,106	51	247,694	248,907

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G Fisher
CEO and Company Secretary

14 May 2024

All of the Foundation's activities relate to continuing operations.

Balance Sheet

as at 31 December 2023

Fixed Assets

Tangible assets:

Investment properties

Operational assets

Other investments

Current Assets

Stocks

Debtors

Loans due within one year

Loans due after one year

Cash at bank and in hand

Creditors

Amounts falling due within one year

Net Current Assets

Total Assets Less Current Liabilities

Creditors

Amounts falling due within one year

Provisions for Liabilities and Charges

Pension scheme asset

Net Assets

Capital Funds

Unrestricted Fund

Endowment Fund

Restricted Fund

Notes	Group		Foundation	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
9	214,529	215,179	214,529	215,179
10	4,809	4,725	4,809	4,725
	219,338	219,904	219,338	219,904
11	12,983	12,269	14,098	13,384
	232,321	232,173	233,436	233,288
12	28	33	28	33
13	4,947	4,975	4,959	5,416
14	–	–	–	–
14	101	136	101	136
	11,872	10,242	10,672	8,628
	16,948	15,386	15,760	14,213
15	(8,196)	(7,408)	(8,192)	(7,403)
	8,752	7,978	7,568	6,810
	241,073	240,151	241,004	240,098
15	–	–	–	–
16	6,690	8,809	6,690	8,809
	247,763	248,960	247,694	248,907
17	32,604	33,371	32,537	33,320
17	215,108	215,586	215,106	215,584
17	51	3	51	3
17	247,763	248,960	247,694	248,907

Letchworth Garden City Heritage Foundation is a registered society under the Co-operative and Community Benefit Societies Act 2014, with charitable status, registered number 28211R.

The notes on pages 55 to 89 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 14 May 2024 and were signed on its behalf by:

G Hawkins

G Hawkins
Chair

C Pattison

C Pattison
Vice Chair

Graham Fisher

G Fisher
CEO and Company Secretary

14 May 2024

Consolidated Cash Flow Statement

for the year ended 31 December 2023

Cash flows from Operating Activities:

Net Cash used in Operating Activities

Cash flows from Investing Activities:

Net income received on investment properties

Dividends received

Interest received

Proceeds from the sale of operational assets

Additions to operational assets

Proceeds from the sale of investment properties

Additions to investment properties

Purchase of listed investments

Cash received from sale of listed investments

Net Cash provided by Investing Activities

Change in cash and cash equivalents in the year

Cash and cash equivalents at the start of the year

Cash and cash equivalents at the end of the year

Notes	2023 £'000	2022 £'000
(a)	(2,652)	(2,985)
	4,275	5,532
	368	364
	162	24
	90	–
	(831)	(715)
	1,011	20
	(803)	(610)
	–	(2,653)
	8	–
	4,280	1,962
	1,628	(1,023)
(b)	10,242	11,267
(b)	11,870	10,244

Notes to the Cash Flow Statement

(a) Reconciliation of net income to net cash flow from operating activities

Net income after taxation	
Gains on investments	
Net income received on investment properties	
Interest receivable and dividend income	
Depreciation	
Deficit/(surplus) on disposal of operational assets	
Decrease/(increase) in stocks	
Decrease/(increase) in debtors	
Net decrease in loans to staff and local organisations	
Increase/(decrease) in creditors	
Pension Fund movements	

Net Cash used in Operating Activities

(b) Analysis of cash and cash equivalents

Cash at bank and in hand	
Total cash and cash equivalents	

2023 £'000	2022 £'000
1,692	16,856
(259)	(15,141)
(4,275)	(5,532)
(533)	(363)
516	483
(25)	–
5	(8)
30	591
35	38
932	(76)
(770)	167
(2,652)	(2,985)
11,872	10,242
11,872	10,242

The notes on pages 55 to 89 form part of these financial statements.

Notes to the Accounts

for the year ended 31 December 2023

1 Accounting Policies

(a) Basis of preparation

The accounts have been prepared in accordance with the UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard FRS 102 (FRS 102), 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)' – the Charities SORP (FRS 102) second edition, issued in October 2019. The financial statements are prepared in accordance with the Letchworth Garden City Heritage Foundation Act 1995 and the Co-operative and Community Benefit Societies Act 2014. In addition, the Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The accounts are prepared on a going concern basis under the historical cost convention modified by the revaluation of investment properties and listed investments. In drawing this conclusion the Board have considered the current and forecast trading environment. Consideration has also been taken account of existing and forecast cash and liquidity for each entity within the Group. The Board have not identified any material uncertainty relating to going concern. The accounting policies have been applied consistently throughout the current and previous accounting period.

Consolidated accounts of the Group incorporate the accounts of Letchworth Garden City Heritage Foundation, ('the Foundation') and its subsidiary undertakings all of which are made up to 31 December 2023. The results of the subsidiary, Letchworth Garden City Trading Limited ('LGCT'), are consolidated on a line-by-line basis.

No separate Cash Flow Statement for the Foundation itself is presented as permitted by disclosure exemptions available in FRS 102:7.

(b) Fund accounting

Assets and liabilities, and income and expenditure are allocated to the fund to which they relate.

Endowment Fund: represents the funds endowed to the Foundation on 1 October 1995. On that date investment properties were vested to the Foundation to be held as an expendable endowment. The fund increases due to valuation surpluses and decreases where properties fall in value or are impaired. Where an investment property is disposed of, the Trustees have the authority to reinvest the proceeds in further investment properties to maintain the Endowment Fund or to expend them on the charitable objects in which case the proceeds are transferred to the Unrestricted Fund. The Endowment Fund is therefore represented by investment properties and bank balances relating to the proceeds of investment property disposals yet to be reinvested.

Restricted Fund: this fund exists in order to represent grants received by the Foundation for a specific, restricted purpose.

Unrestricted Fund: This represents the statutory reserves of the Foundation, a registered society under the Co-operative and Community Benefit Societies Act 2014 with charitable status, other than those designated as the Endowment Fund and those amounts designated for restricted use, plus the reserves of its wholly owned subsidiary LGCT. The fund is maintained for the day-to-day operating activities of the Foundation in order to meet the objectives of the organisation.

(c) Accounting estimates and judgements

In the preparation of the accounts, accounting estimates and judgements are made that affect the reported amounts of assets and liabilities and of income and expenditure for the reporting period. The following areas are considered to involve the critical judgements and sources of estimation uncertainty when applying the Group's accounting policies.

Investment properties valuations

Properties are annually revalued at fair value. A rotational sample of investment properties, comprising approximately 68% of the portfolio by value, was identified by Letchworth Garden City Heritage Foundation for valuation in 2023. Properties are selected on a three year rotational basis, with emphasis on selecting higher value properties within each class of asset.

These properties were valued on 31 December 2023 by Kirkby Diamond LLP acting as Independent External Valuer in accordance with the RICS Valuation – Global Standards (effective from 31 January 2022) and the UK National Supplement issued by the Royal Institution of Chartered Surveyors and FRS102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The valuations were carried out by Kirkby Diamond employees, all of whom are Members of the RICS and RICS Registered Valuers. The remaining properties (approximately 32% by value) were updated, by the Foundation, based on valuation movements from a relevant class of assets.

The valuation of the investment property is on the basis of Fair Value as defined in FRS 102 assuming that the property would be sold subject to any existing leases.

Notes to the Accounts

for the year ended 31 December 2023

1 Accounting Policies *(continued)*

(c) Accounting estimates and judgements *(continued)*

Property held for development is valued to Fair Value assuming the property would be sold with vacant possession in its existing condition.

The opinion of value was primarily derived using comparable recent market transactions on arm's length terms.

In reaching the final valuation figures Kirkby Diamond has departed from the RICS Valuation – Global Standards in that they have not been instructed to inspect all the properties or read all the leases. Kirkby Diamond has relied on information provided by its previous valuer Bidwells LLP as to the measurements of the property and lease details. In addition, Kirkby Diamond have relied upon tenancy information provided via the Heritage Foundation and its property manager Savills. The accuracy of the valuation depends on the accuracy of the information provided. For residential properties valued this year the movements in vacant possession values have been calculated by reference to the Land Registry House Price Index, rather than on the basis of comparable market transactions.

In accordance with the Valuation Standards, this is the first time Kirkby Diamond have valued the portfolio for the client. In relation to the firm's financial year ending 31 January 2024, the total fees paid by Letchworth Garden City Heritage Foundation as a percentage of turnover was less than 5% and it is not anticipated there will be a significant material increase this year. Kirkby Diamond has a policy of rotating personnel undertaking this valuation in line with RICS guidance. This rotation is undertaken in accordance with our Management System under ISO 9001:2000.

Pension scheme asset

Estimates of the net pension asset depend on a number of complex judgements relating to the discount rate used, changes in retirement ages and mortality rates.

The decision to recognise the asset is based on the expectation that the surplus (all other things being equal) will have a bearing on the amounts the Foundation will ultimately have to pay towards servicing the pension liabilities in the future. The Foundation currently has around 30 active members in the scheme and, as such, is expected to remain an active member for many (+10) years to come.

As a closed member of the Hertfordshire County Council scheme, these assumptions are made by the Group in conjunction with the scheme's actuaries who provide expert advice on the assumptions and the effect on the pension liability of changes in assumptions. The details are set out in note 16.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 December 2023	Approximate % increase to defined benefit obligation	Approximate monetary amount £'000
0.1% decrease in Real Discount Rate	2%	514
1 year increase in member life expectancy	4%	1,212
0.1% increase in the Salary Increase Rate	0%	16
0.1% increase in the Pension Increase Rate (CPI)	2%	506

Provision for doubtful debts

Judgement is required in measuring debtors at their recoverable amounts (the amount expected to be received from a debt). This judgement is made after a detailed review of outstanding balances in conjunction with our managing agent.

As at the date of the Statement of Financial position, a provision has been decided upon following a detailed review of balances and discussions with the Foundation's managing agent.

The provision as at 31 December 2023 constitutes 6% of the annual rent roll.

Support cost allocation

The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs and these are reviewed annually for reasonableness. The bases used are outlined in note 6.

Additions to investment properties

Items that represent development expenditure (as opposed to research) qualify as additions to investment properties. Major works that enhance investment properties are also capitalised when the net present value of the investment is positive. Judgement is required to assess the net present value of enhancements/major works and to classify expenditure between development and research related items.

Notes to the Accounts

for the year ended 31 December 2023

1 Accounting Policies *(continued)*

(d) Income

Income is recognised when the Group is entitled to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies apply to categories of income.

Investment income from properties

Primarily rent receivable on investment properties, income is recognised for the period to which it relates when the property is available to let, net of voids. Lease incentives such rent-free or stepped-rent arrangements are spread over the period up to the lease end date. Income from property sales is recognised on legal completion.

Investment income dividends

Dividends are received in arrears but are recognised for the period to which they relate.

Income from charitable activities

Admissions income for venues is recognised for the day of the admission, with advance ticket sales taken to deferred income and released to income to match the date of attendance. Annual passes are held in the balance sheet as deferred income and released to income to match the period for which they are valid. Income from café sales and souvenir sales is recognised on sale. Where applicable, income is recognised net of VAT.

Grant income

Income from government grants is credited to income when received or receivable, whichever is earlier, unless the grant relates to a specific future period. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

(e) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is inclusive of irrecoverable VAT where applicable.

Expenditure is allocated to the particular activity to which the costs relates and classified into the following categories.

Expenditure on investment management

Costs incurred in managing the investment property portfolio including repairs and maintenance costs, property void costs, leasehold property rents, professional and advisory fees, and provision for property-related income considered irrecoverable.

Expenditure on charitable activities

Includes the costs of running each of the charitable services directly managed by the Foundation in the furtherance of its charitable objectives. It also includes grants payable which are made to third parties and are recognised once the Board has agreed to the grant without condition.

Support costs

The Foundation operates a number of centralised functions that support all of its activities and these costs are categorised as Support Costs. These are allocated across the two primary expenditure categories above, in line with Charities SORP (FRS 102) requirements as set out in note 6.

Governance costs

Costs associated with constitutional and statutory requirements and the strategic management of the Group's activities. They include the costs of company secretarial, internal audit, external audit and statutory accounts preparation as shown in note 4.

(f) Investment properties

Investment properties include interests in land and buildings in respect of which construction work and development have been completed and which is held for its investment potential, any rental income being negotiated at arms length. Properties under construction are transferred to investment properties on completion. These are held for long-term investment and are stated in the balance sheet at their fair value at the balance sheet date. Other properties classified as operational properties are held at the lower of cost and net realisable value as permitted by FRS 102.

Items that represent development expenditure (as opposed to research) qualify as additions to investment properties. Major works that enhance investment properties are only capitalised when the net present value of the investment is positive, typically involving an assessment of the incremental rental income against the initial investment. Routine maintenance costs are expensed through the SOFA in the year in which they occurred.

Notes to the Accounts

for the year ended 31 December 2023

1 Accounting Policies *(continued)*

Changes in the market value of investment properties and gains/losses arising on disposal are taken to the SOFA as a separate line item before arriving at 'net income'. The cumulative unrealised gains are disclosed in the notes to the accounts.

Any disposals that include contingent consideration are only recognised when it is considered probable that such proceeds will be received and this is reassessed at each accounting period end until the development is complete. Such consideration is included at the best estimate at the balance sheet date and included within 'net gain on investments' for the period and other debtors in the balance sheet.

(g) Depreciation of tangible fixed assets

Depreciation is not provided in respect of land and investment properties other than leasehold properties with less than 25 years to run. Heavy farm equipment is depreciated at 20% per annum using the reducing balance method. The cost of other tangible fixed assets is written off by equal annual instalments over their useful life as follows:

Operational buildings – structure	50 years
Operational buildings – components	20 to 25 years
Venue redevelopment: provision of theatre facility	10 years
Short leasehold properties	Remaining length of lease
Plant, vehicles, machinery and equipment	3 to 10 years
Leased equipment	Life of the lease or asset category

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where assets are no longer intended for use on a continuing basis in the operation's activities, they are transferred to current assets, and classified as assets held for resale within stock.

(h) Impairment

The Group considers whether indicators of impairment exist in relation to tangible assets. Indicators considered include external sources of information such as market value, market interest rates and returns on investment, actual or proposed changes to the technological, economic or legal environment, obsolescence or damage to the asset, operational changes or internal reporting which indicates that the asset is performing worse than expected. The Group also considers expected future performance of the asset. Any impairment loss is charged to the Statement of Financial Activities (SOFA).

(i) Financial Investments

Investments are initially recorded at cost. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Investments held in subsidiary companies are reflected at the par value of the shares. Investments held in stocks and shares are valued at market value at the financial year end. The net gains and losses arising from revaluations and disposals during the year are included within 'net gain on investments' in the (SOFA).

(j) Stocks

Retail stocks are included at the lower of cost and net realisable value with due allowance made for all obsolete and slow moving items. Cost of materials is based on the cost of purchase on an average costing basis. Net realisable value is the estimated selling price less costs to complete and sell.

(k) Financial instruments

The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Financial instruments held by the Group are classified as follows:

- Cash is held at cost
- Financial assets such as tenant arrears are reported within trade debtors falling due within one year. The balance of debt due to the Foundation is reported after allowing for doubtful debts.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Foundation's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes to the Accounts

for the year ended 31 December 2023

1 Accounting Policies *(continued)*

(m) Leases

Tangible fixed assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the Foundation are identified as a specific class of asset. Such assets are subject to depreciation over the shorter of the lease term and the estimated useful life of the assets. The finance charges are charged to the SOFA over the periods of the agreements and represent a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the SOFA on a straight line basis over the term of the lease.

(n) Defined benefit pension scheme

The Foundation is a closed member of the Hertfordshire Local Government Pension Scheme, which provides benefits based on pensionable earnings near retirement. The amounts charged in expenditure are the costs arising from employees' services rendered during the period and the cost of benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the SOFA in accordance with the requirements of FRS 102. Remeasurements comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in 'actuarial gain/loss on pension scheme'.

The defined benefit scheme is funded with the assets of the scheme held separately from those of the Group in the separate trustee-administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the

current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet.

(o) Taxation

Letchworth Garden City Heritage Foundation is a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010. Accordingly the Foundation is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The subsidiary Letchworth Garden City Trading Limited makes qualifying donations of all taxable profit to Letchworth Garden City Heritage Foundation.

In view of the nature of the VAT Partial Exemption special method agreed with HMRC, the Foundation incurs irrecoverable VAT which is charged to the SOFA when the expenditure to which it relates is incurred. The unrecoverable VAT is allocated to the expenditure to which it relates.

(p) Gift Aid

Letchworth Garden City Trading Limited has a deed of covenant for the payment of gift aid to Letchworth Garden City Heritage Foundation. The permissible taxable profit of Letchworth Garden City Trading Limited is paid to the Foundation (parent) each year as Gift Aid.

Notes to the Accounts

for the year ended 31 December 2023

2 Trading Results of Subsidiaries

The Foundation has one wholly owned trading subsidiary, Letchworth Garden City Trading Limited (company number 03530307) which is incorporated in England and Wales and provides telephony and land development services. Where appropriate, the trading subsidiary makes qualifying charitable donations to the Foundation.

A summary of the results and net assets of the subsidiary is reported below:

	Letchworth Garden City Trading Ltd	
	2023 £'000	2022 £'000
Turnover	76	485
Profit/(loss) before qualifying charitable donation and tax	14	413
Qualifying charitable donation	4	(387)
Net income/(expenditure)	18	26
Gross assets	1,201	1,615
Gross liabilities	(16)	(448)
Net assets	1,185	1,167

Letchworth Garden City Trading Limited has no recognised gains or losses other than the surplus before tax.

Notes to the Accounts

for the year ended 31 December 2023

3 Analysis of Income

Group

Investment income:

Income from investment properties
Sale of land and buildings
Dividends
Bank interest

Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
11,081	–	11,081	10,638
57	–	57	462
371	–	371	339
162	–	162	24
11,671	–	11,671	11,463

Income from charitable activities:

Cinema income
Educational farm income
Other charitable income

Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
1,239	–	1,239	1,168
874	–	874	789
64	36	100	172
2,177	36	2,213	2,129
13,848	36	13,884	13,592

Total Income – Group

Notes to the Accounts

for the year ended 31 December 2023

3 Analysis of Income *(continued)*

Foundation

Investment income:

Income from investment properties
Sale of land and buildings
Dividends
Bank interest

Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
11,075	–	11,075	11,018
–	–	–	–
371	–	371	339
144	–	144	20
11,590	–	11,590	11,377

Income from charitable activities:

Cinema income
Educational farm income
Other charitable income

Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
1,239	–	1,239	1,168
874	–	874	789
64	36	100	172
2,177	36	2,213	2,129
13,767	36	13,803	13,506

Total Income – Foundation

Grant Income – Refers to Foundation and Group

Grants of £18k was receivable for the year (2022: £157k) and is included within charitable income.

Grants in 2023 comprised; £42k (2022: £79k) for other Cinema and Cultural Grants and -£24k (2022: £64k) from Natural England for environmental improvements, £0k (2022: £8k) for the Government's Kickstart scheme and £0k (2022: £6k) for North Herts District Council Leisure Grants.

The Natural England grant is reported as a net cost in 2023 due to an over accrual.

Notes to the Accounts

for the year ended 31 December 2023

4 Analysis of Expenditure

Expenditure on investment property management:

Group

Property and related costs

Cost of sales – land and buildings

Direct costs £'000	Support costs £'000	2023 £'000	2022 £'000
5,423	1,420	6,843	5,571
20	–	20	(3)
5,443	1,420	6,863	5,568

Expenditure on investment property management:

Foundation

Property and related costs

Cost of sales – land and buildings

Direct costs £'000	Support costs £'000	2023 £'000	2022 £'000
5,359	1,420	6,779	5,511
20	–	20	(3)
5,379	1,420	6,799	5,508

Expenditure on charitable activities:

Group and Foundation

Provision of cinema and cultural events

Provision of studio and gallery

Provision of educational farm

Provision of heritage collection, exhibitions and Institute

Provision of heritage advice

Provision of environmental improvements and town support

Provision of minibus service

Miscellaneous charitable expenditure

Grants payable

Support costs

2023 £'000	2022 £'000
1,635	1,669
175	191
853	859
139	230
227	306
370	344
24	35
319	268
523	486
1,323	1,921
5,588	6,309

Miscellaneous charitable expenditure includes various town centre support and the provision of ballroom services.

Notes to the Accounts

for the year ended 31 December 2023

4 Analysis of Expenditure *(continued)*

Analysis of governance costs:

Group and Foundation

Legal and company secretarial
Internal audit
Publication of Foundation's annual report and accounts
External audit for the Group
Other governance costs

2023 £'000	2022 £'000
15	6
28	26
2	2
37	38
68	66
150	138

Net Income for the year is stated after charging:

Group and Foundation

External auditors' remuneration and expenses:

Audit of the Group financial statements
Tax compliance
Advisory

2023 £'000	2022 £'000
37	38
3	2
–	–
40	40

Depreciation of tangible fixed assets – owned assets
Operating lease rentals – land and buildings

515	483
91	91

Notes to the Accounts

for the year ended 31 December 2023

5 Grants Payable

Group and Foundation

The commitments made in the period comprise:

Institutional grants:

Grants of £1000 or more: 35 (2022: 43)

Smaller grants

Total institutional grants

Total commitments made in the year

Grants cancelled or recovered

Total grants payable

Reconciliation of grants payable:

Commitments at 1 January

Total grants payable

Grants payable

Grants paid during the year

Commitments at 31 December

2023 £	2022 £
520,127	465,983
3,017	24,312
523,144	490,295
523,144	490,295
—	(4,044)
523,144	486,251
103,735	160,090
523,144	486,251
626,879	646,341
(584,152)	(542,606)
42,727	103,735

Commitments at 31 December 2023 and 31 December 2022 are payable within one year and included in creditors (note 15).

Grant applications are considered by the Grants Committee by reference to the objects of the charity. Each application is supported by a detailed application form setting out details of how the funds will be used and the planned benefits so that the committee can evaluate each case.

Of the total awarded grants in the year, all were taken up (2022: £4,044 not taken up or subsequently cancelled).

Notes to the Accounts

for the year ended 31 December 2023

5 Grants Payable *(continued)*

Grants awarded of £1,000 or more:

	2023		2022	
	Number	Total value of grants (£)	Number	Total value of grants (£)
Object				
(i) Preservation of buildings and other environmental features	1	8,000	–	–
(ii) Assisting in the provision of facilities for recreation	6	17,934	5	36,978
(iii) Advancement of education and learning	10	210,553	14	213,174
(iv) Relief of poverty and sickness	20	283,640	24	215,831
(v) Supporting Garden City charitable organisations	–	–	–	–
(vi) Supporting other charitable purposes	–	–	–	–
	37	520,127	43	465,983

(i) Preservation of buildings and other environmental features

St Georges Church

1	8,000	–	–
1	8,000	–	–

(ii) Assisting in the provision of facilities for recreation

Variety Express

Letchworth Arcadians

Letchworth Croquet Club

Grange Community Association

Jackmans Community Centre

Letchworth Festival

Whitethorn Lane Sports Club

Letchworth Romanians Association

Letchworth Garden City Bowls Club

Eastcheap CiC

1	2,500	–	–
1	2,734	–	–
1	1,250	–	–
1	3,000	–	–
1	5,000	–	–
1	3,450	1	6,938
–	–	1	15,000
–	–	1	2,000
–	–	1	4,000
–	–	1	9,040
6	17,934	5	36,978

Notes to the Accounts

for the year ended 31 December 2023

5 Grants Payable *(continued)*

(iii) Advancement of education and learning

Khalsa Football Club	1	6,102	–	–
Angels Support Group	1	7,621	–	–
Home-Start Hertfordshire	1	15,000	–	–
Street Dance Productions	1	5,243	–	–
Letchworth Amateur Swimming Club	1	1,497	–	–
Herts Disability Sports Foundation	1	8,000	1	11,158
Letchworth Family Support Team	2	90,000	2	90,000
Barnardo's	1	75,000	1	75,000
Singing Cactus	1	2,090	1	2,176
Read Easy	–	–	1	1,500
Mediation Hertfordshire	–	–	1	5,000
Letchworth Educational Settlement	–	–	1	7,000
Eastcheap CiC	–	–	1	1,500
Hong Kong Connect	–	–	1	5,000
North Hertfordshire African Caribbean Community	–	–	1	9,000
Baldock District Canoe Club	–	–	1	2,000
Early Birds Pre-School	–	–	1	2,511
Wilbury & Icknield School Parent Association	–	–	1	1,329

2023		2022	
Number	Total value of grants (£)	Number	Total value of grants (£)
10	210,553	14	213,174

Notes to the Accounts

for the year ended 31 December 2023

5 Grants Payable *(continued)*

(iv) Relief of poverty and sickness

	2023		2022	
	Number	Total value of grants (£)	Number	Total value of grants (£)
Garden House Hospice	3	91,000	–	–
Stevenage Against Domestic Abuse (SADA)	1	14,000	–	–
St Thomas Of Canterbury Church	1	1,500	–	–
Headway Hertfordshire	1	5,000	–	–
Carers in Herts	1	5,000	–	–
All Saints Church Willian	1	7,500	–	–
Culture Wood CiC Ltd	1	2,000	–	–
Red Kite	1	5,500	–	–
Open Art Box CiC	1	2,640	–	–
First Garden Cities Homes	1	5,000	2	6,000
Barnardo's	1	1,000	1	1,000
Letchworth Foodbank	2	21,000	2	21,000
Citizens Advice North Hertfordshire	2	112,500	2	100,000
Settle	1	5,000	2	7,000
Kings Community Church	1	2,000	2	5,900
Norton Green Care	1	3,000	1	2,905
Letchworth Baptist Church	–	–	1	5,589
Resolve	–	–	2	15,000
Child Contact Centre	–	–	1	3,250
Stevenage FC	–	–	1	1,680
Letchworth Centre for Healthy Living	–	–	1	10,074
Letchworth Garden Shed	–	–	1	25,900
Baldock and Ashwell Action Aid Ukraine	–	–	1	2,550
St Pauls Church	–	–	1	1,000
Methodist Church Letchworth GC	–	–	1	1,000
Create Community	–	–	1	2,983
Made with Clay	–	–	1	3,000
	20	283,640	24	215,831

Notes to the Accounts

for the year ended 31 December 2023

6 Support Costs

Group and Foundation	Investment management £'000	Charitable activities £'000	2023 Total £'000	2022 Total £'000
Communications & Marketing	54	214	268	260
Finance	298	205	503	498
Strategic Planning	19	13	32	92
Executive	310	214	524	799
Human Resources	39	164	203	694
Information Technology	430	297	727	543
Support Centre	217	116	333	372
Governance	52	97	149	137
Total for year ended 31 December 2023	1,419	1,320	2,739	3,395
Total for year ended 31 December 2022	1,474	1,921	3,395	

The support costs of the Foundation consisted of the eight cost elements listed in the table. These costs are allocated to the activity cost categories on a basis consistent with the use of resources as follows:

Communications & Marketing and Governance	Percentage of time spent
Finance, Strategic Planning, Executive and Information Technology	Work done
Human Resources and Support Centre	Headcount

Support Centre costs are those costs incurred in running the Foundation's Support Centre building.

7 Taxation

The Foundation is exempt from corporation tax in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Letchworth Garden City Trading Limited makes qualifying donations of all taxable profit to Letchworth Garden City Heritage Foundation.

Notes to the Accounts

for the year ended 31 December 2023

8 Staff costs

Group and Foundation

Staff costs for the Group during the year amounted to:

Wages and salaries

Social security costs

Other pension costs

Agency staff costs

Redundancy costs

2023 £'000	2022 £'000
3,088	2,807
307	290
479	804
20	114
1	–
3,895	4,015

The monthly average number of employees of the Group during the year calculated on a full-time equivalent basis, is analysed as follows:

Charitable activities

Property management and maintenance

Administration and support

2023 Number	2022 Number
45	46
11	12
21	18
76	76

The average head count (number of staff employed) during 2023 was 110 (202: 111).

Notes to the Accounts

for the year ended 31 December 2023

8 Staff costs *(continued)*

The number of employees whose emoluments (including benefits in kind but excluding employer pension contributions) amounted to over £60,000 in the year/period were as follows:

£60,001 – £70,000
 £70,001 – £80,000
 £80,001 – £90,000
 £90,001 – £100,000
 £100,001 – £110,000
 £110,001 – £120,000
 £120,001 – £130,000
 £130,001 – £140,000
 £140,001 – £150,000
 £150,000+

2023 Number	2022 Number
3	–
1	1
–	–
1	1
–	1
2	1
–	–
–	1
1	–
1	1
9	6

In 2023, employer contributions of £199k (2022: £172k) were made to pension schemes in respect of the above employees.

Key management personnel

During 2023 the Leadership Team comprised the Chief Executive Officer, Executive Director of Finance, Executive Director of Property, Executive Director of Stewardship and Development, Executive Director of Communities, Culture and Heritage and Executive Director of Regeneration and Growth. Total employee costs (including employer national insurance, pension contributions and benefits in kind) for key management personnel during the year totalled £916k (2022: £840k).

Board of Trustees

Members of the Board of Trustees, who are the Trustees of the charity, neither received nor waived any emoluments during the year (2022: £nil).

No Trustees claimed expenses for travel and subsistence, or had costs met directly by the Foundation in 2023 (2022: nil).

Notes to the Accounts

for the year ended 31 December 2023

9 Tangible Assets — Investment Properties

Group and Foundation

At 31 December 2022 – at valuation

Additions

Disposals

Revaluation

Net book value:

At 31 December 2023

At 31 December 2022

Freehold property £'000	Long leasehold property £'000	Total £'000
204,159	11,020	215,179
824	–	824
(432)	–	(432)
(545)	(497)	(1,042)
204,006	10,523	214,529
204,159	11,020	215,179

Investment properties were valued at 31 December 2023 by Kirky Diamond LLP, professional qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. The valuations have been undertaken on the basis of Fair Value.

Notes to the Accounts

for the year ended 31 December 2023

10 Tangible Assets — Operational Assets

Group and Foundation

Cost:

At 31 December 2022

Additions

Transfers

Disposals

At 31 December 2023

Depreciation:

At 31 December 2022

Charge for the year

Transfers

Disposals

At 31 December 2023

Net book value:

At 31 December 2023

At 31 December 2022

	Freehold property £'000	Plant and equipment £'000	Total £'000
Cost:			
At 31 December 2022	5,319	4,582	9,901
Additions	388	277	665
Transfers	–	–	–
Disposals	–	(262)	(262)
At 31 December 2023	5,707	4,597	10,304
Depreciation:			
At 31 December 2022	1,667	3,509	5,176
Charge for the year	285	230	515
Transfers	–	–	–
Disposals	–	(196)	(196)
At 31 December 2023	1,952	3,543	5,495
Net book value:			
At 31 December 2023	3,755	1,054	4,809
At 31 December 2022	3,652	1,073	4,725

The category 'plant and equipment' comprises plant, equipment, machinery, vehicles and furniture.

Notes to the Accounts

for the year ended 31 December 2023

11 Other Investments

Group and Foundation

Market value at 1 January
Additions/(Disposals)
Surplus/(deficit) on disposal
Surplus / (deficit) on revaluation
Unit trust equalisation

Market value at 31 December

Historical cost at 31 December

Listed Investments	
2023 £'000	2022 £'000
12,269	10,754
(8)	2,653
–	–
722	(1,138)
12,983	12,269
12,346	12,354

The investments comprise 16,011,000 units held in Cazenove Capital Management's Sustainable Multi-Asset Fund (31 December 2022 – 15,066,269 units) and 831,480 units in the CCLA-managed Ethical Investment Fund for Charities (31 December 2022 - 831,480).

Shares held by the Foundation in subsidiary undertakings

Foundation

Cost and net book value:

At 1 January

Shares redeemed

Shares acquired

At 31 December

Subsidiary Undertakings	
2023 £'000	2022 £'000
1,115	1,115
–	–
–	–
1,115	1,115

Details of the principal investments in which the Foundation holds more than 10% of the nominal value in any class of share capital are as follows:

Subsidiary undertakings

	Holding	Proportion of shares held	Voting rights	Nature of business
Letchworth Garden City Trading Limited	Ordinary shares	100%	100%	Land development and telephony services

Notes to the Accounts

for the year ended 31 December 2023

12 Stocks

	Group		Foundation	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Retail stocks	28	33	28	33

13 Debtors

	Group		Foundation	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	1,733	2,151	1,733	2,151
Amounts owed by subsidiary undertakings	—	—	12	442
Deposits with Herts County Council	500	500	500	500
Other debtors	280	433	280	433
Prepayments and accrued income	2,434	1,892	2,434	1,892
	4,947	4,976	4,959	5,418

Amounts deposited with Herts County Council relate to the Street Scene development and are repayable between 2024 and 2031.

Notes to the Accounts

for the year ended 31 December 2023

14 Loans

Due after one year:

Loans to staff

Loans to individuals and local organisations

Loans relating to leasehold enfranchisement

Group		Foundation	
2023 £'000	2022 £'000	2023 £'000	2022 £'000
17	17	17	17
–	–	–	–
84	119	84	119
101	136	101	136

The loans relating to leasehold enfranchisement were granted in accordance with a scheme to assist qualifying residential lessees to acquire the freehold interest in their property. The amounts outstanding include accrued interest and are secured by mortgage on the freehold interest concerned.

Notes to the Accounts

for the year ended 31 December 2023

15 Creditors

Amounts falling due within one year:

Trade creditors

Taxes and social security

Other creditors

Accruals and deferred income

Grants payable

Coronavirus Business Interruption Loan (CBIL)

Group		Foundation	
2023	2022	2023	2022
£'000	£'000	£'000	£'000
870	1,058	870	1,058
171	149	171	149
1,379	1,264	1,379	1,264
5,733	4,833	5,729	4,828
43	104	43	104
–	–	–	–
8,196	7,408	8,192	7,403

Deferred Income

Deferred income balances reflect income received during the accounting period for which the Group has not supplied the service as at the end of the period and therefore cannot be recognised as income in the year.

Deferred income at the start of the year

Net transferred from/(to) the SOFA

Deferred income at the end of the year

Group		Foundation	
2023	2022	2023	2022
£'000	£'000	£'000	£'000
1,575	1,802	1,575	1,802
57	(227)	57	(227)
1,632	1,575	1,632	1,575

Notes to the Accounts

for the year ended 31 December 2023

16 Defined Benefit Pension – Group and Foundation

The Foundation is a closed member of the Small Admitted Bodies pool of the Hertfordshire County Council Pension Fund. From 1 December 2018, the scheme has been closed to new entrants. This scheme provides benefits based on pensionable earnings near retirement. The assets of the scheme are held separately from those of the Foundation. The pension cost for the scheme is determined by a qualified actuary on the basis of periodical valuations. The cost is charged to the Consolidated Statement of Financial Activities.

The full valuation of the scheme was undertaken as at 31 March 2022 and updated by a qualified independent actuary to 31 December 2023 on a basis appropriate to FRS 102.

The Foundation's contributions to the scheme is currently 29.8% of pensionable pay. Estimated employer contributions for the year ending 31 December 2024 are £644k.

The major assumptions used by the actuary for the FRS 102 calculations were:

	2023 %	2022 %
Pension increase rate (CPI)	2.80	3.05
Salary increase rate	3.30	3.45
Discount rate (used to discount scheme liabilities)	4.55	4.75

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below::

	Current pensioners		Future pensioners	
	2023 Years	2022 Years	2023 Years	2022 Years
Males	22.6	21.9	23.8	22.9
Females	24.7	24.4	25.6	26.0

Notes to the Accounts

for the year ended 31 December 2023

16 Defined Benefit Pension – Group and Foundation *(continued)*

The assets of the whole of the Hertfordshire County Council Pension Fund are invested with a number of fund managers.

The fair value of the assets held by the Hertfordshire County Council Pension Fund in respect of the Foundation:

	2023 £'000	2022 £'000
Equities	21,083	16,817
Bonds	8,877	7,894
Property	4,808	5,491
Cash	2,219	4,119
Total fair value of assets	36,987	34,321

The amounts recognised in the balance sheet as at 31 December 2023 and 31 December 2022:

	2023 £'000	2022 £'000
Fair value of scheme assets	36,987	34,321
Present value of scheme liabilities	(30,297)	(25,512)
Net surplus/(deficit) in the scheme	6,690	8,809

Notes to the Accounts

for the year ended 31 December 2023

16 Defined Benefit Pension – Group and Foundation *(continued)*

Reconciliation of opening and closing balances of the scheme assets and liabilities:

	Fair value of scheme assets £'000	Present value of scheme liabilities £'000	Scheme assets less scheme liabilities £'000
Scheme assets/(liabilities) at the start of the year	34,321	(25,512)	8,809
Current service cost	–	(278)	(278)
Interest income/(cost)	1,622	(1,195)	427
Actuarial gains/(losses)	1,361	(4,250)	(2,889)
Contributions paid by the Foundation	621	–	621
Contributions paid by employees	109	(109)	–
Benefits paid	(1,047)	1,047	–
Scheme assets/(liabilities) at the end of the year	36,987	(30,297)	6,690

The amounts recognised in net income for the year to 31 December 2023 and year to 31 December 2022:

	2023 £'000	2022 £'000
Current service cost	278	719
Losses on curtailments	–	5
Net interest cost	(427)	82
	(149)	806

The actual return on scheme assets for the year to 31 December 2023 and 31 December 2022:

	2023 £'000	2022 £'000
Interest income on scheme assets	1,622	748
Actuarial gains (losses) on scheme assets	1,361	(5,768)
Actual return on scheme assets	2,983	(5,020)

Notes to the Accounts

for the year ended 31 December 2023

16 Defined Benefit Pension – Group and Foundation *(continued)*

The amounts recognised as other recognised gains and losses in the SOFA for the year to 31 December 2023 and 31 December 2022:

	2023 £'000	2022 £'000
Actuarial gains on scheme assets	1,361	(5,768)
Changes in assumptions underlying present value of scheme liabilities	(4,250)	19,012
Actuarial gains/(losses) recognised in statement of recognised gains and losses	(2,889)	13,244

Cumulative amount of actuarial gains and losses recognised in the SOFA for the year to 31 December 2023 and 31 December 2022:

	2023 £'000	2022 £'000
Cumulative actuarial loss at start of the year	6,945	(6,299)
Recognised gain/(loss) during the year	(2,889)	13,244
Cumulative actuarial loss at end of the year	4,056	6,945

History of asset values, present value of liabilities and deficit in the scheme:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of scheme assets	36,987	34,321	39,490	36,321	31,136
Present value of scheme liabilities	(30,297)	(25,512)	(43,758)	(45,398)	(34,431)
Surplus/(deficit) in the scheme	6,690	8,809	(4,268)	(9,077)	(3,295)

Notes to the Accounts

for the year ended 31 December 2023

17 Funds

Group

	Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	Total £'000
At 1 January 2023	33,371	215,586	3	248,960
Retained surplus/(deficit) for the year	1,432	–	–	1,432
Surplus (deficit) on revaluation and disposal	738	(478)	–	260
Transfers between funds	(48)	–	48	–
Actuarial gain on pension scheme	(2,889)	–	–	(2,889)
Balance at 31 December 2023	32,604	215,108	51	247,763

Foundation

At 1 January 2023	33,320	215,584	3	248,907
Retained surplus/(deficit) for the year	1,416	–	–	1,416
Surplus on revaluation and disposal	738	(478)	–	260
Transfers between funds	(48)	–	48	–
Actuarial gain on pension scheme	(2,889)	–	–	(2,889)
Balance at 31 December 2022	32,537	215,106	51	247,694

On appointment, Governors are required to subscribe for a £1 Ordinary Share in the Foundation which is forfeited on their retirement and the subscription is taken to income. At 31 December 2023 there were 28 (31 December 2022: 26) shares in issue.

The Restricted Fund relates to grant received for the purpose of re-opening cultural assets including the Broadway Studio and Gallery and the Garden City Collection Museum through a new exhibition programme, the creation of a new cultural programme and the piloting of new activities to engage groups disproportionately affected by COVID-19.

Notes to the Accounts

for the year ended 31 December 2023

18 Analysis Of Group Net Assets Between Funds

Fund balances at 31 December 2023 are represented by:

	Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	Total £'000
Investment properties	490	214,039	–	214,529
Operational properties	4,809	–	–	4,809
Other investments	12,983	–	–	12,983
Pension scheme surplus (deficit)	6,690	–	–	6,690
	24,972	214,039	–	239,011
Net current assets	7,632	1,069	51	8,752
	32,604	215,108	51	247,763

The above figures include unrealised gains on investment properties as follows:

Unrealised gains at 31 December 2022	354	140,783	–	141,137
Surplus (deficit) on revaluation	15	(1,057)	–	(1,042)
Realised on disposals	–	(410)	–	(410)
Unrealised gains at 31 December 2023	369	139,316	–	139,686

The above figures include unrealised gains on other investments as follows:

Unrealised gains at 31 December 2022	(79)	–	–	(79)
Realised on disposal	–	–	–	–
Surplus (deficit) on revaluation	723	–	–	723
Unrealised gains at 31 December 2023	644	–	–	644

Notes to the Accounts

for the year ended 31 December 2023

18 Analysis Of Group Net Assets Between Funds *(continued)*

The prior year (2022) comparatives of the Group Net Assets Between Funds are provided below.

	Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 December 2022 are represented by:				
Investment properties	475	214,704	–	215,179
Operational properties	4,725	–	–	4,725
Other investments	12,269	–	–	12,269
Pension scheme (deficit)	8,809	–	–	8,809
	26,278	214,704	–	240,982
Net current assets	7,093	882	3	7,978
	33,371	215,586	3	248,960

The above figures include unrealised gains on investment properties as follows:

Unrealised gains at 31 December 2021	354	124,524	–	124,878
Surplus on revaluation	–	16,259	–	16,259
Realised on disposals	–	–	–	–
Unrealised gains at 31 December 2022	354	140,783	–	141,137

The above figures include unrealised gains on other investments as follows:

Unrealised gains at 31 December 2021	1,059	–	–	1,059
Realised on disposal	–	–	–	–
Surplus (deficit) on revaluation	(1,138)	–	–	(1,138)
Unrealised gains at 31 December 2022	(79)	–	–	(79)

Notes to the Accounts

for the year ended 31 December 2023

19 Financial Commitments

Authorised capital expenditure not provided for in these accounts for which contracts have been placed is as follows:

Erection, purchase and redevelopment of premises

Group and Foundation	
2023 £'000	2022 £'000
117	379

The total future minimum lease payments under non-cancellable operating leases for each of the following periods.

Payments due:

Not later than one year

Later than one year and not later than five years

Later than five years

Group and Foundation	
2023 £'000	2022 £'000
91	91
364	364
31,897	31,989
32,352	32,444

Total future rental income commitments from leases with tenants at the year end for each of the following periods.

Receipts due:

Not later than one year

Later than one year and not later than five years

Later than five years

Group and Foundation	
2023 £'000	2022 £'000
7,310	7,495
16,110	18,605
405,794	453,509
429,214	479,609

Notes to the Accounts

for the year ended 31 December 2023

20 Related Parties

Interests in grants awarded

The following Trustees and Governors held positions in organisations, or where marked #, held an indirect interest in grants made by the Foundation:

Organisation	Position held	Name	No.	2023 Total value of grants (£)	No.	2022 Total value of grants (£)
St Thomas Of Canterbury Church	Volunteer	Kevin Jones #	1	1,500	–	–
Angels Support Group	Consultant	Jo Dew	1	7,621	–	–
Barnados (Acorns Early Years Programme)	Volunteer	Judith Nash #	1	75,000	–	–
Letchworth Education Settlement	Examiner	Roger McIntyre-Brown	–	–	1	7,000
Baldock and Ashwell Action Aid Ukraine	Volunteer	Robert Riggall #	–	–	1	2,250
St Pauls Church	Volunteer	Judith Nash #	–	–	1	1,000

2023 Intercompany Transactions

- The Foundation provided management services to Letchworth Garden City Trading for a total fee of £10,000 (2022: £40,000).
- Letchworth Garden City Trading supplied services to the Foundation totalling £16,206 (2022: £16,206).
- At the balance sheet date, the Foundation held intercompany debtor balances of £11,893 with LGCT (2022: £442,308).

Notes to the Accounts

for the year ended 31 December 2023

21 Consolidated Statement Of Financial Activities

for the 12 months ended 31 December 2022 *(Including an Income and Expenditure Account)*

As required by the Charities SORP (FRS 102), the SOFA comparatives are split by funds:

Group	Restated Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	Restated 2021 £'000
Income from:				
Investments	11,463	–	–	11,463
Charitable activities	2,064	–	65	2,129
Total income	13,527	–	65	13,592
Expenditure on:				
Investment property management	5,568	–	–	5,568
Charitable activities	6,236	–	73	6,309
Total expenditure	11,804	–	73	11,877
Net income/(expenditure) before gains on investments	1,723	–	(8)	1,715
Net gain on investments	(1,138)	16,279	–	15,141
Net income/(expenditure) before taxation	585	16,279	(8)	16,856
Transfers Between Funds	–	–	11	–
Other recognised gains and losses				
Actuarial gain on pension scheme	13,244	–	–	4,940
Net movement in funds	13,829	16,279	(8)	30,100
Fund balances brought forward at 1 January 2022	19,542	199,307	11	218,860
Fund balances carried forward at 31 December 2022	33,371	215,586	3	248,960

Notes to the Accounts

for the year ended 31 December 2023

21 Consolidated Statement Of Financial Activities *(continued)*

for the 12 months ended 31 December 2022

As required by the Charities SORP (FRS 102), the SOFA comparatives are split by funds:

Foundation	Restated Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	Restated 2021 £'000
Income from:				
Investments	11,377	–	–	11,377
Charitable activities	2,064	–	65	2,129
Total income	13,441	–	65	13,506
Expenditure on:				
Investment property management	5,508	–	–	5,508
Charitable activities	6,236	–	73	6,309
Total expenditure	11,744	–	73	11,817
Net income/(expenditure) before gains on investments	1,697	–	(8)	1,689
Net gain on investments	(1,138)	16,279	–	15,141
Net income/(expenditure) before taxation	559	16,279	(8)	16,830
Transfers Between Funds	–	–	–	–
Other recognised gains and losses				
Actuarial gain on pension scheme	13,244	–	–	13,244
Net movement in funds	13,803	16,279	(8)	30,074
Fund balances brought forward at 1 January 2022	19,517	199,305	11	218,833
Fund balances carried forward at 31 December 2022	33,320	215,584	3	248,907

Notes to the Accounts

for the year ended 31 December 2023

22 Net debt reconciliation

Cash at bank and in hand
Bank loans

Net debt

	Group		
	1 January 2023 £'000	Cash flows £'000	31 December 2023 £'000
Cash at bank and in hand	10,242	1,630	11,872
Bank loans	—	—	—
Net debt	10,242	1,630	11,872

Cash at bank and in hand
Loans

Net debt

	Foundation		
	1 January 2023 £'000	Cash flows £'000	31 December 2023 £'000
Cash at bank and in hand	8,628	2,044	10,672
Loans	—	—	—
Net debt	8,628	2,044	10,672

Board of Trustees



Gareth Hawkins
Chair



Chris Pattison
Vice-Chair



Simon Franklin



Terry Hone*



Kevin Jones



Ian Mantle**



Roger McIntyre-Brown



John Coling



Michael Collins



Joanna Dew



Amanda Egbe



Lucy Gravatt



John Hillson

* Deputy for Hertfordshire County Council

** Deputy for North Hertfordshire District Council

Full details of our Board of Trustees and Governors are available at
letchworth.com/who-we-are/board-of-trustees

OFFICERS AND REGISTERED OFFICE

Chief Executive

Graham Fisher

Leadership Team

David Ames

Executive Director – Stewardship and Development

Mark Coles

Executive Director – Property

Kerry Kyriacou

Executive Director – Regeneration and Growth

Matthew Peak

Executive Director – Finance

Stuart Sapsford

Executive Director – Communities, Culture and Heritage

Secretary

Graham Fisher

One Garden City

Broadway

Letchworth Garden City

SG6 3BF

Registered Office and Principal Office

Letchworth Garden City Heritage Foundation

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The background is a photograph of a garden path leading into the distance, flanked by lush green trees and foliage. Overlaid on the right side of the image are two large, semi-transparent green numbers, '2' and '3', which are part of a larger graphic design.

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