

Charity number: 1073371

The Quitak Foundation
Trustees' report and financial statements
for the year ended 5 April 2023

The Quitak Foundation

Contents

	Page
Legal and administrative information	1
Trustees report	2 - 6
Independent examiners' report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 14

The Quitak Foundation

Legal and administrative information

Charity number	1073371
Business address	19 Windsor Avenue, Edgware, HA8 8SR
Registered office	Northside House, Mount Pleasant, Barnet, Herts EN4 9EE
Trustees	Alex Portnoy JP FCCA Gary Quitak James A.C. Meston Cert PFS MIFP Ruth Portnoy Michelle Ginno
Independent Examiner	Andrew Davis FCA Davis Bonley Chartered Certified Accountants Northside House, Mount Pleasant, Barnet, Herts. EN4 9EE
Bankers	TSB Bank Plc PO Box 373, Leeds, LS14 9GQ
Investment Advisors	JPM Asset Management 400 Thames Valley Park Drive, Thames Valley Park, Reading, RG6 1PT
Solicitors	Parkes Wilshire Johnson 59 Church Hill Road, East Barnet,, EN4 8SY

The Quitak Foundation

Report of the trustees for the year ended 5 April 2023

The trustees present their report and the financial statements for the year ended 5 April 2023. The trustees who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

The Trust is a registered charity established under a Deed dated 17th December 1997, subsequently amended by a Deed of variation dated 23rd December 1998. The Trust was established by gifts from Mr & Mrs Simon Edgar Quitak. Further assets were received by the Trust from the Estates of the late Mr & Mrs Quitak. The Trust does not actively fundraise and seeks to continue the charitable work desired by the Settlers through careful stewardship of existing resources.

Under the terms of the Trust Deed there may not be more than five Trustees. The appointment of new Trustees is now vested with the continuing Trustees.

The Trustees carry out all the management functions with the assistance of professional advisors, where necessary. The Trustees have power under the terms of the Trust Deed to make any investment they see fit.

Objectives and activities

The Trust was established by the late Mr & Mrs Simon Edgar Quitak to provide, inter alia, funds for the advancement of:

- a) Jewish education*
- b) medical research*
- c) medical support services*
- d) welfare, sport and social and cultural activities*

Public benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities and setting the Grant making policy.

The Trust furthers its charitable purposes for the public benefit through its Grant making policy which aims to fund the advancement of Jewish education, medical research (including ancillary support services) welfare, social and cultural activities by providing support to organisations and projects which further these goals.

The beneficiaries of the Grant making policy are ultimately (a) the students who receive scholarships (b) the general public who benefit from the work of the medical establishments that are supported by the Trust and (c) the people who benefit from the activities of the students supported by the Trust, once they take up work positions in the community, having completed their education (d) The students attending the establishments supported by the Trust. (e) The people who receive the welfare, social and cultural support provided by the organisations to whom the Trust makes Grants.

Risks

The Trustees consider that there are no major risks to which the Charity is exposed.

Achievements and performance

The Trustees may in their absolute discretion distribute the Trust's funds for such charitable purposes as they so determine.

The Trustees make grants to organisations that fall within the main objectives established by the settlors. They are constantly looking for new major projects to support.

The Quitak Foundation

Report of the trustees for the year ended 5 April 2023

The Trust has been supporting the Forgotten People Fund which assists the Ethiopian Jewish minority group living in Israel to finish their studies achieving professional qualifications. All students using the programme are regularly monitored by the FPF who report back to the Trustees. The success of this project is measured by the fact that most students receive a higher education and most complete their training and go on to successfully work in the community.

The Trust has also supported 'Out for Change' [an organisation that assists people from the very religious Jewish communities improve their educational outcome], and various other organisations in the UK, and Israel. Additionally, the Trust has sent funds through Tikva UK to assist in supporting the educational and welfare needs of children in Ukraine and Romania.

The project in Israel with Hand in Hand to create recreational facilities for the children at the Bridge over the Wadi school for Arab and Jewish children was successfully completed during the year under review.

The Quitak Foundation

Report of the trustees for the year ended 5 April 2023

Financial review

The Trustees have, with the guidance of their investment advisors, placed the Trust's assets into investments to provide an income stream to fund grants and administration costs.

Review of the year

The period from April 22 to April 23 was once again mixed. Following on from the previous year of volatile returns, even when factoring in the Ukraine war, when it might have been thought that peak volatility had been reached, market conditions dictated that had not been the case. Although inflation had been anticipated the level and duration of elevated inflation levels had been sorely underestimated by policymakers.

The cost of energy had a major bearing on this along with its knock on impact into the soaring cost of commodities, raw materials and in turn food and consumer items.

Central bankers in all major economies were late to acknowledge that the inflation pressures and impact would not be transitory. Some were more decisive than others. The central banks it seems have only one, albeit blunt, instrument with which to tackle inflation, interest rates. The US Federal Reserve increase rates more decisively than most and the impact of their decision making has been seen more than in the UK, as an example. The Bank of England has raised rates at 15 consecutive meetings and inflation may only have just started to peak. The danger is that these rate rises take some time to have their impact felt and there are many that feel that there may have been too much tightening. The impact of this decision making may be felt for some time to come.

One effect of rising interest rates should be that deposit interest increases but this has been slow in coming through.

Overall markets had a brief rally though the middle of 2022 but there was more bad news to come in the form of the mini budget, which was poorly received by the financial sector.

Gilt yields surged and long term rate expectations (higher for longer) became the key focus. While higher gilt yields (interest rates on government borrowing) are good in terms of an income like return, the impact on the underlying capital value has been devastating for those bond holders. These are assets that are supposed to be among the safest for investors but the average gilt fund has seen a capital reduction of around 18% over the period.

Fortunately the Foundation has had very low exposure to these types of investment, less than 2% of the funds available.

The Foundation had an inflow of funds from the estate of the Late Mrs Marguerite Quitak at the end of the previous reporting period and it was decided that the volatile market conditions were not conducive to prudent investing and therefore these funds were held in cash. The interest rate on cash within the Elevate account has risen slowly as UK rates rose, although as with all financial institutions these increases have not matched the increases of the Base Rate.

Of late the decision has been taken to look to some Structured Deposits to achieve a better yield on that large cash holding.

The portfolio invests in assets/funds that are in some cases accumulation funds and others income funds. When looking at the "income received" in the form of dividends and interest the figures were £6,768.89 dividends and £9,679.00 in interest.

The "income yield/return" in this year has been in the order of 0.7% and the capital value had seen a reduction over the year of 5.6%

As an aside the nature of the cyclical investment environment has seen that reduction mitigated in the first quarter of the new investment year significantly.

The Quitak Foundation

Report of the trustees for the year ended 5 April 2023

Recent changes

Decisions have been taken about the deployment of capital in the current year with an initial £500,000 invested in a 4 year structured deposit paying 0.56% per month (6.6% p.a.) A further £500,000 has been earmarked for deployment in September.

The anticipated total income from these amount - circa £66 - £70,000 will go a long way towards supporting the Foundation's ongoing and new commitments.

In the period the Foundation purchased £50,000 of units in the following investments

Fundsmith Equity

Rathbone Global Opportunities

Royal London Sustainable World Trust

Scottish Mortgage Investment Trust.

Reserves Policy

The Trustees hold, in immediate accessible form, sufficient funds to cover one year's administrative costs, the amount of grants already committed for the future twelve months, plus a contingency fund equal to the prior six months expenditure.

Plans for future periods

The Trustees continue support to Tikva UK in its endeavours to help with the education of orphaned children still in the Ukraine and those who have been evacuated to Romania. The Trust is also supporting up to fifty of these children in an after school programme. The support offered to the Forgotten People Fund also continues at an enhanced rate. The Trustees are always looking for new projects and welcome applications from organisations that provide services that fall within the Trust's objectives.

At the date of signing these accounts the Trustees had concluded an Agreement with Lev Chash an organisation in Israel that supports sick children and their families by providing accommodation near to the hospital where they are undergoing treatment so that they do not need to travel immediately. This helps aid their recovery. The Trustees have agreed to make a grant of NIS 255,000 to help set up a guest house for this purpose.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements the trustees are required to:

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

The Quitak Foundation

Report of the trustees for the year ended 5 April 2023

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Alex Portnoy JP FCCA
21 August 2023

James A.C. Meston Cert PFS MIFP

The Quitak Foundation

Independent examiner's report to the trustees on the unaudited financial statements of The Quitak Foundation.

I report on the accounts of The Quitak Foundation for the year ended 5 April 2023 set out on pages 2 to 14.

Respective responsibilities of trustees and independent examiner

As the charity's trustees you are responsible for the preparation of the accounts, you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act), as amended by section 28 of the Charities Act 2006 does not apply and that an independent examination is needed. It is my responsibility to examine the accounts under section 43(3)(a) of the Act, as amended; to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the Act, as amended; and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (i) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep proper accounting records in accordance with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- (ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Andrew Davis FCA
Chartered Accountant
Independent examiner
Davis Bonley
Northside House
Mount Pleasant
Barnet
EN4 9EE
8 November 2023

The Quitak Foundation

Statement of financial activities

For the year ended 5 April 2023

	Notes	Unrestricted funds £	2023 Total £	2022 Total £
Incoming resources				
Incoming resources from generating funds:				
Voluntary income	2	16,963	16,963	1,950,000
Investment income	3	29,127	29,127	19,588
Other incoming resources	4	-	-	91
Total incoming resources		<u>46,090</u>	<u>46,090</u>	<u>1,969,679</u>
Resources expended				
Charitable activities	5	252,298	252,298	83,925
Governance costs	6	22,576	22,576	16,153
Total resources expended		<u>274,874</u>	<u>274,874</u>	<u>100,078</u>
Net incoming/(outgoing) resources before other recognised gains and losses		(228,784)	(228,784)	1,869,601
Other recognised gains and losses				
Unrealised Gains/(Losses) on investment assets		(187,796)	(187,796)	(62,909)
Net movement in funds		(416,580)	(416,580)	1,806,692
Total funds brought forward		3,542,845	3,542,845	1,736,154
Total funds carried forward		<u>3,126,265</u>	<u>3,126,265</u>	<u>3,542,846</u>

The notes on pages 10 to 14 form an integral part of these financial statements.
All funds are unrestricted

The Quitak Foundation

Balance sheet as at 5 April 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Investments	8		2,900,028		2,987,750
Current assets					
Debtors	9	-		100,000	
Cash at bank and in hand		227,135		456,296	
		<u>227,135</u>		<u>556,296</u>	
Creditors: amounts falling due within one year	10	(900)		(1,200)	
Net current assets			<u>226,235</u>		<u>555,096</u>
Net assets			<u>3,126,263</u>		<u>3,542,846</u>
Funds	11				
Unrestricted income funds:					
Unrestricted income funds			3,256,543		3,485,330
Unrealised investment gains/(losses)			(130,280)		57,516
Total unrestricted income funds			<u>3,126,263</u>		<u>3,542,846</u>
Total funds			<u><u>3,126,263</u></u>		<u><u>3,542,846</u></u>

The financial statements were approved by the trustees on 21 August 2023 and signed on its behalf by

Alex Portnoy JP FCCA
Trustee

James A.C. Meston Cert PFS MIFP
Trustee

The notes on pages 10 to 14 form an integral part of these financial statements.
All funds are unrestricted

The Quitak Foundation

Notes to financial statements for the year ended 5 April 2023

1. Accounting policies

1.1. Basis of preparation and assessment of going concern

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s). The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their Accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015, and the Charities Act 2011.

- 1.2.** The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

1.3. Fund structure

All the Trust's funds are unrestricted which the Trustees are free to use for any purpose in furtherance of the charitable objects.

1.4. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income, where received, is by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities, where received, are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

1.5. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6. Investments

Investments held as fixed assets are revalued at achievable market price at the balance sheet date and the gain or loss taken to the statement of financial activities.

The Quitak Foundation

Notes to financial statements for the year ended 5 April 2023

2. Voluntary income

	Unrestricted funds £	2023 Total £	2022 Total £
Legacies	16,963	16,963	1,950,000
	<u>16,963</u>	<u>16,963</u>	<u>1,950,000</u>

The above represents the balance of a legacy from the Estate of the late Mrs Marguerite Quitak

3. Investment income

	Unrestricted funds £	2023 Total £	2022 Total £
Income from UK listed investments	29,125	29,125	19,589
	<u>29,125</u>	<u>29,125</u>	<u>19,589</u>

4. Other incoming resources

	2023 Total £	2022 Total £
Other income	-	91
	<u>-</u>	<u>91</u>

5. Costs of charitable activities - by activity

	Grant funding activities £	2023 Total £	2022 Total £
Grants made to organisations for educational and medical activities, including ancillary services.	252,298	252,298	83,925
	<u>252,298</u>	<u>252,298</u>	<u>83,925</u>

The Charity does not make Grants directly to individuals.

The Quitak Foundation

Notes to financial statements for the year ended 5 April 2023

6. Governance costs

	Unrestricted funds £	2023 Total £	2022 Total £
Investment platform fees	4,723	4,723	2,945
Investment manager's fees	11,905	11,905	7,458
Independent examiner's fee	900	900	-
Professional fees	5,000	5,000	4,000
Legal Fees	-	-	550
Audit fee	-	-	1,200
Subscriptions and training	48	48	-
	<u>22,576</u>	<u>22,576</u>	<u>16,153</u>

In addition to the investment fees set out above there are also costs associated with the investments that have always been reflected in the quoted unit prices and therefore ultimately in the fund value. In recent years, the Financial Conduct Authority has required, in the interests of transparency, that these costs be shown on an annual basis so that investors can make comparisons. The Fund Advisors have aggregated these implicit costs within the holdings and calculated them as below.

For the current holdings the implicit costs reported as a percentage are

Slater Growth - 0.76%

Baillie Gifford Sterling Bond - 0.52%

Artemis Global Select - 0.89%

Baillie Gifford Positive Change - 0.53%

Fundsmith Equity - 0.94%

Rathbones Global Opportunities - 0.77%

Royal London Sustainable World - 0.77%

Vanuard Lifestrategy "60" - 0.22%

NASDAQ 100 ETF - 0.1%

The Fund Advisors have aggregated these implicit costs within the holdings and calculated them as below.

For the year to 5 April 2023 Standard Life reported pure investment fund costs amounting to £9,530.

The Quitak Foundation

Notes to financial statements for the year ended 5 April 2023

7. Payments to Trustees

Professional fees paid to Trustees	2023 £	2022 £
Investment manager's fees	11,905	7,458
Professional fees	5,000	4,000
	<u>16,905</u>	<u>11,458</u>

The professional fees were paid to Mr A Portnoy and the Investment Manager's fees were paid to JPM Asset Management Limited of which Mr J Meston is a director.

Other than providing the professional services mentioned above the Trustees give freely of their time and expertise without any form of remuneration or benefit.

Number of employees

The average monthly numbers of employees (including the trustees) during the year, calculated on the basis of full time equivalents, was as follows:

2023 Number	2022 Number
<u>1</u>	<u>1</u>

8. Fixed asset investments

	Listed investments £	Total £
Valuation		
At 6 April 2022	2,987,749	2,987,749
Additions	100,074	100,074
Revaluations	(187,795)	(187,795)
At 5 April 2023	<u>2,900,028</u>	<u>2,900,028</u>
Historical cost as at 5 April 2023	<u>3,030,000</u>	<u>3,030,000</u>

All fixed asset investments are held within United Kingdom Platforms.

The Quitak Foundation

Notes to financial statements for the year ended 5 April 2023

9. Debtors

	2023 £	2022 £
Legacy money unpaid at year end	-	100,000

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	900	1,200

11. Analysis of net assets between funds

	Unrestricted funds £	Total funds £
Fund balances at 5 April 2023 as represented by:		
Investment assets	2,900,028	2,900,028
Current assets	227,135	227,135
Current liabilities	(900)	(900)
	<u>3,126,263</u>	<u>3,126,263</u>

12. Unrestricted funds

	At 6 April 2022 £	Incoming resources £	Outgoing resources £	Gains and losses £	At 5 April 2023 £
General unrestricted income fund	3,485,329	46,088	274,874	-	3,256,543
Revaluation reserve	57,515	-	-	(187,795)	(130,280)
	<u>3,542,844</u>	<u>46,088</u>	<u>274,874</u>	<u>(187,795)</u>	<u>3,126,263</u>