

The Heritage Foundation
Unaudited Financial Statements
31 January 2021

A J BRACEINER FCA

Chartered Accountant
Park House
Russell Gardens
London
NW11 9NJ

The Heritage Foundation

Financial Statements

Year ended 31 January 2021

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	3
Statement of financial activities	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7

The Heritage Foundation

Trustees' Annual Report

Year ended 31 January 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 January 2021.

Reference and administrative details

Registered charity name	The Heritage Foundation
Charity registration number	1102997
Principal office	31 Bethune Road London N16 5DA

The trustees

Mr J Reichman
Mrs M Frankel
Mrs S Reichman

Independent examiner	A J Braceiner & Co Park House Russell Gardens London NW11 9NJ
-----------------------------	---

Structure, governance and management

The charity is governed by a Trust Deed dated 19th February 2004.

The Trust Deed provides for a minimum of three trustees. Were there a requirement for new trustees, these would be identified and appointed by the existing trustees.

The trustees review the risks that the charity faces. To date these have mainly related to investment management and risks associated with making grants to bona fide institutions.

Objectives and activities

Objectives

(a) The advancement of Jewish religious education in accordance with Orthodox tenets of the Jewish religion. (b) The advancement of religion in accordance with the Orthodox Jewish faith. (c) The relief of poverty and sickness in particular but not exclusively to persons professing the Orthodox Jewish faith.

Achievements and performance

Grants totalling £44,640 to over twenty institutions were made during the year.

The Heritage Foundation

Trustees' Annual Report *(continued)*

Year ended 31 January 2021

Financial review

Financial review

The trustees have set a policy that the expendable endowment should be invested so as to maximise the total return with a low level of risk.

Reserves

It is the policy of the charity to retain sufficient reserves to meet the anticipated demand on its funds.

The trustees' annual report was approved on 23 November 2021 and signed on behalf of the board of trustees by:

Mr J Reichman
Trustee

The Heritage Foundation

Independent Examiner's Report to the Trustees of The Heritage Foundation

Year ended 31 January 2021

I report to the trustees on my examination of the financial statements of The Heritage Foundation ('the charity') for the year ended 31 January 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A J Braceiner & Co
Independent Examiner

Park House
Russell Gardens
London
NW11 9NJ

23 November 2021

The Heritage Foundation

Statement of Financial Activities

Year ended 31 January 2021

		2021		2020
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	750,000	750,000	915,000
Investment income	5	104,315	104,315	35,356
Total income		<u>854,315</u>	<u>854,315</u>	<u>950,356</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	6	2,961	2,961	—
Expenditure on charitable activities		<u>115,618</u>	<u>115,618</u>	<u>22,368</u>
Total expenditure		<u>118,579</u>	<u>118,579</u>	<u>22,368</u>
Net income and net movement in funds		<u>735,736</u>	<u>735,736</u>	<u>927,988</u>
Reconciliation of funds				
Total funds brought forward		1,632,965	1,632,965	704,977
Total funds carried forward		<u>2,368,701</u>	<u>2,368,701</u>	<u>1,632,965</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 12 form part of these financial statements.

The Heritage Foundation

Statement of Financial Position

31 January 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	11	2,021,169	2,021,169
Current assets			
Debtors	12	17,657	401
Cash at bank and in hand		1,579,559	274,739
		<u>1,597,216</u>	<u>275,140</u>
Creditors: amounts falling due within one year	13	<u>130,564</u>	<u>663,344</u>
Net current assets		<u>1,466,652</u>	<u>(388,204)</u>
Total assets less current liabilities		<u>3,487,821</u>	<u>1,632,965</u>
Creditors: amounts falling due after more than one year	14	<u>1,119,120</u>	<u>—</u>
Net assets		<u><u>2,368,701</u></u>	<u><u>1,632,965</u></u>
Funds of the charity			
Unrestricted funds		<u>2,368,701</u>	<u>1,632,965</u>
Total charity funds	15	<u><u>2,368,701</u></u>	<u><u>1,632,965</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 23 November 2021, and are signed on behalf of the board by:

Mr J Reichman
Trustee

The notes on pages 7 to 12 form part of these financial statements.

The Heritage Foundation

Statement of Cash Flows

Year ended 31 January 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income	735,736	927,988
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(104,315)	(29,768)
Other interest receivable and similar income	—	(5,588)
Interest payable and similar charges	257	—
Accrued expenses/(income)	5,727	(540)
<i>Changes in:</i>		
Trade and other debtors	(17,256)	(301)
Trade and other creditors	(584,097)	602,556
Cash generated from operations	36,052	1,494,347
Interest paid	(257)	—
Interest received	—	5,588
Net cash from operating activities	<u>35,795</u>	<u>1,499,935</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	104,315	29,768
Purchase of tangible assets	—	(2,021,169)
Net cash from/(used in) investing activities	<u>104,315</u>	<u>(1,991,401)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,164,710	—
Net cash from financing activities	<u>1,164,710</u>	<u>—</u>
Net increase/(decrease) in cash and cash equivalents	1,304,820	(491,466)
Cash and cash equivalents at beginning of year	<u>274,739</u>	<u>766,205</u>
Cash and cash equivalents at end of year	<u>1,579,559</u>	<u>274,739</u>

The notes on pages 7 to 12 form part of these financial statements.

The Heritage Foundation

Notes to the Financial Statements

Year ended 31 January 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 31 Bethune Road, London, N16 5DA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

The Heritage Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 January 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Heritage Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 January 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	<u>750,000</u>	<u>750,000</u>	<u>915,000</u>	<u>915,000</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	104,315	104,315	29,768	29,768
Bank interest receivable	<u>—</u>	<u>—</u>	<u>5,588</u>	<u>5,588</u>
	<u>104,315</u>	<u>104,315</u>	<u>35,356</u>	<u>35,356</u>

The Heritage Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 January 2021

6. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Investment property management costs	2,961	2,961	—	—

7. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Grants to institutions	44,640	20,200
Total grants	44,640	20,200
		2021 £
Chasdei Moishe Trust		20,000
Beis Aharon TT Activity Centre		6,000
Sundry Grants (Under £5,000)		18,640
		44,640

Grants were made to institutions in the field of religion, medicine and education.

8. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Foreign exchange differences	8,250	606

9. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	1,000	1,080

10. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

The Heritage Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 January 2021

11. Tangible fixed assets

	Freehold property £
Cost	
At 1 February 2020 and 31 January 2021	<u>2,021,169</u>
Depreciation	
At 1 February 2020 and 31 January 2021	<u>—</u>
Carrying amount	
At 31 January 2021	<u>2,021,169</u>
At 31 January 2020	<u>2,021,169</u>

12. Debtors

	2021 £	2020 £
Other debtors	<u>17,657</u>	<u>401</u>

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Debenture loans	45,590	—
Accruals and deferred income	6,807	1,080
Other creditors	<u>78,167</u>	<u>662,264</u>
	<u>130,564</u>	<u>663,344</u>

14. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	<u>1,119,120</u>	<u>—</u>

The Heritage Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 January 2021

15. Analysis of charitable funds

Unrestricted funds

	At 1 February 20 20	Income £	Expenditure £	At 31 January 2021 £
General funds	<u>1,632,965</u>	<u>854,315</u>	<u>(118,579)</u>	<u>2,368,701</u>

	At 1 February 20 19	Income £	Expenditure £	At 31 January 2020 £
General funds	<u>704,977</u>	<u>950,356</u>	<u>(22,368)</u>	<u>1,632,965</u>

16. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Investments	2,021,169	2,021,169
Current assets	1,597,216	1,597,216
Creditors less than 1 year	(130,564)	(130,564)
Creditors greater than 1 year	(1,119,120)	(1,119,120)
Net assets	<u>2,368,701</u>	<u>2,368,701</u>

	Unrestricted Funds £	Total Funds 2020 £
Investments	2,021,169	2,021,169
Current assets	275,140	275,140
Creditors less than 1 year	(663,344)	(663,344)
Creditors greater than 1 year	—	—
Net assets	<u>1,632,965</u>	<u>1,632,965</u>

17. Analysis of changes in net debt

	At 1 Feb 2020 £	Cash flows £	At 31 Jan 2021 £
Cash at bank and in hand	274,739	1,304,820	1,579,559
Debt due within one year	—	(45,590)	(45,590)
Debt due after one year	—	(1,119,120)	(1,119,120)
	<u>274,739</u>	<u>140,110</u>	<u>414,849</u>