

**Black Heart Foundation (UK)
Limited**

**Annual Report and Financial
Statements**

30 April 2021

Company Registration Number 07241076

Charity Registration Number 1136813

Trustees	Mr R W Lewis (Chairman) Ms C Heath Mr M Vaughn Mrs O Griffiths Mr R Howlett Mr R A Lewis Mr B Sharpe Mr M Dawson Mr R A Lewis (appointed 15 June 2020)
Company Secretary	Ms C Heath
Registered office	Berkeley Square House 8 Berkeley Square London W1J 6DB
Company registration number	07241076 (England and Wales)
Charity registration number	1136813
Independent auditor	Edward Finch Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP 16 John's Lane London EC1M 4BS
Bankers	Coutts & Co 440 The Strand London WC2R 0QS

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As the Board of Trustees we present our annual report along with the financial statements of Black Heart Foundation (UK) Limited (the Foundation) for the year ended 30 April 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 18 and comply with the Foundation's Memorandum of Association, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Governing document

The Black Heart Foundation (UK) Limited is a charitable company, incorporated 30 April 2010 (Company Registration Number 07241076 (England and Wales)). It was registered as a charity with the Charity Commission on 12 July 2010 (Charity Registration Number 1136813). The Charitable Company was established under a Memorandum of Association which established the objects and powers of the Charitable Company and is governed under its Articles of Association.

Status and administration

The principal activity of the Foundation is the administration of grants for the benefit of underprivileged and under-resourced children with an emphasis on organisations with a focus on education and health.

The Trustees who served during the year were as follows:

- ◆ Mr R W Lewis (Chairman)
- ◆ Ms C Heath
- ◆ Mr M Dawson
- ◆ Mr B Sharpe
- ◆ Mr R Howlett
- ◆ Mrs O Griffiths
- ◆ Mr M Vaughn
- ◆ Mr R A Lewis (appointed 15 June 2020)

The day to day running of the Foundation is delegated to Ms R Brown.

Key management personnel

The key management personnel of the charity are the trustees, who are not remunerated for their roles as trustees. Details of payments to one trustee for services provided in the prior year via a related party are set out in note 1 to the financial statements.

Organisational structure

The directors of the Foundation are also Trustees of the charity for the purposes of charity law. Under the requirements of the Articles of Association, the shareholder shall appoint future Trustees at such time and for such period as the shareholder sees fit. The number of Trustees must not be less than 3 but is not subject to a maximum.

Every Trustee has one vote on each issue, except the Chairman who has a second or casting vote.

Recruitment and appointment of Trustees

As outlined in the Memorandum and Articles of Association, the Foundation is governed by its Board of Trustees.

In an effort to maintain a broad skill mix, the Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skills being lost due to retirements, individuals will be approached to offer themselves for election to the Trustee Board.

Trustees' duties

As Trustees, we are responsible for strategic decision making for the Foundation, as well as overseeing the administration and management of the Foundation, including consideration of grant-making, investments, reserves, and risk management policies and performance. We have absolute discretion to invest equivalent to a beneficial owner. Taking advice from advisors, the Trustees make all decisions regarding the approval or declining of grant applications.

Trustees' induction and training

Our induction process as Trustees includes an initial meeting with the Chair and education on the powers and responsibilities of the Trustees. We are provided with a briefing pack which includes a brief history of the Foundation, a copy of the Foundation's Memorandum of Association, copies of minutes of the Trustees' meetings and copies of the previous annual reports and financial statements. A question & answer pack has also been prepared drawing information from the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee". We keep the skill requirements for the Trustee board under review and ensure that we partake in on-going training on issues of governance and matters related to the Foundation's areas of grant-making. Priority has been given to enhancing capabilities in good governance, investment and financial management and providing background information on subjects related to the Foundation's grant-making priorities. We undertake an annual review of our collective and individual performance and contribution to the Foundation and any training requirements.

Risk management

We have conducted a review of the major risks to which the Foundation is exposed including those related to the operations and finances of the Foundation. A risk register has been established and is updated at least annually having regard to the size and objects of the Foundation, and to seek to ensure that appropriate measures are in place to minimise the Foundation's exposure to major risks. Where appropriate, systems or procedures have been established to mitigate the risks the Foundation faces, the most significant of which is considered to be the risk of poor reputation leading to a significant decrease in donations received. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. The Foundation ensures that financial risks are mitigated by allocating funding based on income to ensure that liabilities are covered. We periodically review these procedures to ensure that they continue to meet the needs of the Foundation.

Impact of coronavirus

During the period from 30 April 2021 to the date that the financial statements were approved, the coronavirus (COVID-19) outbreak has continued to spread worldwide and caused extensive disruptions to businesses as well as economic activities globally including the UK.

We have considered the effects of the 2020 outbreak of COVID-19 on the charity's operations and have concluded that the impact on it is likely to be limited. Following the advice issued by the UK Government in March 2020 regarding employees working from home and other social distancing measures, we have enacted procedures to facilitate this and have a detailed plan that enables effective operation to continue whilst employees are not physically present in the charity's offices.

Trustees acknowledge and recognise the potential impact of the COVID-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. As well as the personal risk to health of its staff, the charity may lose planned income as the result of the cancellation of events and/or the absence of key personnel although there may be some expenditure savings also. The reduced opportunities for scheduled face to face interaction may well impact on the ability to plan effectively for the medium term but it is not anticipated at the current time that the overall financial position of the charity will be adversely affected or its financial solvency threatened.

Objectives and activities

The objects of the Foundation are: "for the public benefit, the advancement of education, the relief of sickness and the preservation of health, and such other charitable purposes which are exclusively charitable as the Trustees may from time to time determine".

Public benefit

As a grant-funder, the Foundation's activities will provide public benefit to the individuals and communities who are beneficiaries of the Foundation's funded projects.

As Trustees we confirm that we have referred to the guidance contained in the Charity Commission's general advice on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year.

Background to the Foundation

The Black Heart Foundation is a charity registered in the United States and the United Kingdom and represents a continuance of more than 30 years of philanthropy. The Foundation has a proud and consistent record of supporting initiatives that create and present educational access, opportunity and benefit to underprivileged children; unblocking the paths to learning and new discovery and reducing the fear of the unknown to allow growth, adventure and achievement. The enterprise and commitment that the Foundation shares with our beneficiaries continues to create opportunity for disadvantaged young people and remove barriers to aspiration and accomplishment.

The Black Heart Foundation was founded to incorporate the activities and charity of several predecessor entities in the U.S. and U.K. which have at their nexus a concern for the education of at-risk youth. The Foundation is dedicated to improving the educational access, quality and benefits for children from underprivileged and poorly resourced backgrounds and environments.

Strategic objectives

The Foundation both distributes grants and scholarships and engages in fundraising to support organisations that fit its criteria.

The Foundation is consistently engaged in supporting a number of beneficiaries that provide or improve educational benefits to young people by affording and providing opportunity to those who are otherwise denied it. We are committed to removing these obstacles of circumstance and creating access and experience across education, sport, and well-being.

The Black Heart Foundation has a particular interest in the deployment of sport to achieve its objectives and promotes inspiration, education and well-being.

Grant-making policy

The Foundation is a pro-active grant-making trust and does not respond to unsolicited applications.

The Foundation provides grants to individuals, companies and charitable organisations. Grants are considered by the Trustees and are approved with a majority decision.

Grant-making objectives

Our grant-making objectives focus on:

Education

From formal academic learning to vocational field experience, The Black Heart Foundation supports a broad variety of initiatives in diverse settings all sharing a key premise: The provision of enriching and inclusive educational environments.

Health & Welfare

Good health and wellbeing are uplifting, strengthening and rewarding attributes alone but in an educational context they not only elevate motivation and learning capacity but benefit physical and mental health in turn. The interdependence of good health with learning is clear and the Foundation is supportive of initiatives that recognise, acknowledge and uphold that link.

Grant-making policy (continued)

Grant-making objectives (continued)

Sport

Sport has a particular potential to influence and inspire young participants. Important lessons in the pursuit of excellence, teamwork, discipline, leadership, victory and even defeat are all accessible by taking part. Providing access to sporting opportunity through various events and initiatives is of marked importance to our Foundation. In addition, the Foundation uses its relationship to sport and the sporting world to facilitate greater support of the Foundation and its work.

Fundraising objectives

The Foundation seeks to fund small grass root programmes and individuals, specifically under-resourced projects and under-privileged children. In addition, we seek to raise awareness of our aims and activities.

Fundraising strategy

The Foundation was established with initial funding from private sources. Additional funding from similar sources such as individuals and families continues and is augmented with donations and contributions from corporate supporters who make both financial and in-kind benefactions such as contributions of products, services and personnel. Due to the difficulty in placing a value on the in-kind benefactions and as the value is not considered to be material to the overall view presented in the financial statements, these have not been quantified and included in these financial statements.

On occasion the Foundation hosts events to raise awareness of our aims and activities. Potential donors are invited and encouraged to support our aims through beneficiary initiatives and entities. The Foundation launched a crowdfunding campaign in 2020 to support the scholarship programme this was organic fundraising and facilitated by the Foundation and the trustees no professional fund-raiser or commercial participator carried on any of those activities.

The Foundation is not current registered with any voluntary scheme for regulating fund-raising but is actively engaging in best practices for fundraising as outlined by the Fundraising Regulator and The Chartered Institute of Fundraising. The Foundation will assess the level of its ongoing public fundraising and consider registering with one of these regulation bodies in future.

The charity has not received any complaints in relation to its fundraising activities and does not engage any third parties on its behalf. Appeals are not made to the public in general. When donations from individuals are received, the charity has appropriate procedures in place to protect personal data and never sell data or swap data with other organisations.

Achievements and performance

The Foundation has continued to fund and support initiatives and beneficiaries which demonstrate clear qualitative or quantitative impact in providing or improving educational benefits to under-resourced and under-represented people.

Furthermore, The Black Heart Scholarship Programme, a formal development of some of The Foundation's previous initiatives, provided bursaries to 198 successful candidates.

Achievements and performance (continued)

These awards will enable the successful candidates to advance their educations where they might otherwise not have been able to do so.

It has always been the Foundation's goal to increase the number of people we can help and finance as Black Heart Scholars but to do so in a fiscally responsible manner. This was possible in financial year 2020 - 2021 and beyond as we recruited fellowship and fellow contributors to our cause and drive our mission.

Financial review

The Foundation is reliant upon future donations and income from future fundraising activities. Income this year amounted to £2,893,812 (2020 - £1,409,651) representing donations received and associated Gift Aid where claimable. Grants and donations totalling £2,292,862 were approved in the year (2020 - £1,264,973). The cost of generating funds was £195,819 (2020 - £106,540). Governance and other support costs apportioned between these categories amounted to £80,552 (2020 - £53,079) where £74,430 was allocated to charitable activities and £6,122 to generating funds.

All governance and other support costs are paid for by donation by the Chair of Trustees thus ensuring that 100% of third party donated resources are used as grants and bursaries.

Net income was £330,701 (2020 - net expenditure of £11,066).

As Trustees we have established an expenditure policy for the Foundation, over which we have absolute discretion.

Reserves policy

The Foundation uses donations received to make grants and donations in accordance with its objectives. The charity will hold sufficient reserves to meet the level of grants it wishes to make in a particular year and to cover any overheads of running the Foundation.

At 30 April 2021, the unrestricted funds stood at a surplus of £752,652 (2020 - surplus of £71,951).

Grant-making

Throughout 2020-21, the Foundation has continued to support initiatives that create and present educational access, opportunity and benefit to underprivileged children. Details of the grants and scholarships made by the Foundation can be found in note 3 to the financial statements.

Future plans

The intention of the Trustees of The Black Heart Foundation for the year 2021-22, is to continue to grow its mission in supporting community programmes which provide support, encouragement, counsel and pastoral care to hardworking and talented young people as they pursue their ambitions and aspirations in education and in life. Additionally the Foundation will continue to endeavour to fund scholars from under-represented and under-resourced backgrounds as they pursue their educational ambitions in secondary and territory education and beyond.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Black Heart Foundation (UK) Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period.

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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 Foundation will continue in operation.

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

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the Foundation's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Trustees 30 April 2021

Statement of Trustees' responsibilities (continued)

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to be 'R Lewis', written in a cursive style.

R Lewis, Trustee

Approved by the board on: 4th January 2022

Independent auditor's report to the members of Black heart Foundation (UK) Limited

Opinion

We have audited the financial statements of Black Heart Foundation (UK) Limited (the 'charitable company') for the year ended 30 April 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 30 April 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the Charity from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the Charity. These included, but were not limited to, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019);
- ◆ We performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ We read the minutes of meetings of Trustees;
- ◆ We enquired as to actual and potential litigation and claims; and
- ◆ We tested the authorisation of expenditure as part of our substantive testing thereon.

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 18/1/22

Statement of financial activities Year to 30 April 2021

		Unrestricted funds	
	Notes	2021 £	2020 £
Income and expenditure			
Income from:			
Donations and legacies		2,893,812	1,409,651
Total income	2	2,893,812	1,409,651
Expenditure on:			
Raising funds		195,819	106,540
Charitable activities	3	2,367,292	1,314,177
Total expenditure		2,563,111	1,420,717
Net movement in funds and net expenditure for the year		330,701	(11,066)
Balance brought forward at 1 May 2020		71,951	83,017
Balance carried forward at 30 April 2021		402,652	71,951

All of the Foundation's activities derived from continuing operations during the above two financial periods.

The notes on pages 19 to 23 form part of these financial statements.

Balance sheet 30 April 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	6	146,842	2,772
Cash at bank		<u>681,543</u>	<u>151,556</u>
		828,385	154,328
Creditors: amount falling due within one year	7	<u>(425,733)</u>	<u>(82,377)</u>
Net current assets		<u>402,652</u>	<u>71,951</u>
Net assets		<u>402,652</u>	<u>71,951</u>
Represented by			
Capital and reserves			
. Called up share capital	8	1	1
. Unrestricted general funds		<u>402,651</u>	<u>71,950</u>
Shareholder's funds		<u>402,652</u>	<u>71,951</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Trustees by:



R Lewis, Trustee

Approved by the Board of Trustees on: 4th January 2022

Company registration number: 07241076 (England and Wales)

The notes on pages 19 to 23 form part of these financial statements.

Statement of cash flows 30 April 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	529,987	(35,645)
Change in cash and cash equivalents in the year		529,987	(35,645)
Cash and cash equivalents at 1 May 2020	B	151,556	187,201
Cash and cash equivalents at 30 April 2021	B	681,543	151,556

Notes to the statement of cash flows for the year to 30 April 2021.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	330,701	(11,066)
Adjustments for:		
(Increase) decrease in debtors	(144,070)	24,602
Increase (decrease) in creditors	343,356	(49,181)
Net cash (used in) provided by operating activities	529,987	(35,645)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	681,543	151,556
Total cash and cash equivalents	681,543	151,556

The notes on pages 19 to 23 form part of these financial statements.

Principal accounting policies 30 April 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 30 April 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

At 30 April 2021, the unrestricted funds stood at a surplus of £402,651 (2020 - surplus of £71,950) which is deemed to be sufficient to cover grant commitments at year end of £350,000.

Therefore, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

Donations and other income are accounted for in the year in which they are receivable. Bank interest is accounted for on an accrual basis.

Voluntary income includes Gift Aid claimed on donations.

Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Foundation to the expenditure. Expenses are accounted for on an accruals basis.

Grants, donations and scholarships are recognised when in the opinion of the Trustees, a constructive obligation to make a grant has come into existence.

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

Expenditure on raising funds

Comprise direct expenditure in relation to the fundraising activities of the Foundation.

Charitable activities

Includes all expenditure incurred in pursuance of the Foundation's objectives.

Support costs

Support costs are indirect and consist only of governance costs. These are all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to the preparation of the financial statements and to their statutory independent examination and legal fees. These are apportioned between expenditure on raising funds and charitable activities as appropriate.

Funds

The unrestricted general funds comprise the accumulated deficit of resources expended over incoming resources on the Balance Sheet. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Where a donor has informed the Foundation of an intention to make donations in respect of existing Foundation commitments, these donations are recognised within debtors.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

Taxation

No provision has been made for taxation as the Foundation's status renders it exempt from UK direct taxation.

1 Trustees and other employees

The trust had 1 employee for the year to 30 April 2021 (2020 - none).

There was 1 employee earning over £60,000 for the year to 30 April 2021 (2020 – none).

Ms C Heath, a trustee, was paid for administrative work performed by her in relation to the Foundation. The charge was made on an arm's length basis under a formalised contract and is permissible under the charitable company's constitution.

Other than the trustees there are no further key management personnel.

No trustee had expenses reimbursed in 2021 or 2020.

2 Income

	2021 £	2020 £
Donations	2,420,720	1,108,917
Gift Aid	473,092	300,734
	2,893,812	1,409,651

Four trustees donated a total amount of £1,572,371 to the Foundation in the year (2020 - three trustees donated £726,350).

3 Charitable activities

The charity approved the following grants, scholarships and donations during the year ended 30 April 2021.

	2021 £	2020 £
In support of education		
Springboard Foundation	—	100,000
Generating Genius	—	25,000
Amos Bursary Fund	—	25,000
The Access Project	15,000	—
Camden Arts Centre	—	23,000
Harvard University	—	19,769
TEDxEuston	—	15,000
Institute of Imagination	500,000	15,000
King Solomon Academy	—	15,000
Eastside Young Learners Academy (EYLA)	17,605	—
Windsor Leadership	—	10,000
RADA	—	10,000
LEAP	—	7,889
Urban Land Institute	—	5,000
The Old Vic Theatre	—	4,000
The African Science Academy	50,000	—
The Portobello Dance School	2,500	2,500
The Good Life Foundation	—	2,000
Boston vs Bullies	1,886	1,941
St Anne's College	—	1,800
Dartmouth College Fund	278,707	—
Kelly Writers House	25,000	—
	890,698	282,899
In support of health and welfare		
Horan & Rose	—	234,000
The Alfred Dunhill Links Foundation	—	10,000
	—	244,000
In support of sports		
Sported Foundation	50,000	253,500
Greenhouse Sports	—	25,000
Swish Kids	5,000	13,000
Grassroots Soccer	—	10,000
	55,000	301,500
In support of other causes		
The Lancashire Environment Record Network	—	50,000
Royal Marines Charity	—	11,000
Powerlist Influencers Dinner	—	7,179
Boucher Rhino Legacy	—	3,000
ACLT	—	1,860
Lymphatic Education and Research Network (LERN)	89,050	—
	89,050	73,039
Total Scholarships	1,258,114	363,535
Total grants, donations and scholarships	2,292,862	1,264,973
Allocated support costs (note 4)	74,430	49,204
Total charitable activities	2,367,292	1,314,177

3 Charitable activities (continued)

A reconciliation of grants payable to grants, scholarships and donations commitments is as follows:

	2021 £	2020 £
Grant commitments at 1 May	11,500	57,338
Approved during the year (see above)	2,292,862	1,264,973
Paid during the year	(1,954,362)	(1,310,811)
Grant commitments at 30 April (note 7)	350,000	11,500

	2021 £	2020 £
Commitments at 30 April are payable as follows		
Within one year (note 7)	350,000	11,500
	350,000	11,500

4 Support costs

	2021 £	2020 £
Audit fees		
. Current year	4,800	3,698
Taxation services		
. Current year	7,789	7,637
. Prior year	2,563	—
Legal and professional fees	65,400	41,744
	80,552	53,079

Support costs are allocated to cost of raising funds and charitable activities proportionally, based on direct expenditure.

5 Staff costs

	2021 £	2020 £
Salaries and wages	53,750	—
Social security	6,407	—
Pension	3,094	—
	63,251	—

The average number of employees employed by the company in the year was 1 (2020 - nil).

The key management personnel of the charity are the trustees, who are not remunerated for their roles as trustees. Details of payments to one trustee can be seen in note 1.

6 Debtors

	2021 £	2020 £
Amounts owed by group undertaking – called up share capital not paid	1	1
Donations receivable	—	2,771
GiftAid due	146,841	—
	146,842	2,772

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade Creditors	60,000	60,096
Accruals and deferred income	15,733	10,781
Grant commitments (see note 3)	350,000	11,500
	425,733	82,377

8 Share capital

	2021 £	2020 £
Alloted, called up and unpaid 1 ordinary share of £1 each	1	1

9 Related party disclosures

R Lewis sits on the boards of the following organisations to which grants were approved in the year by the full board of trustees:

	2021 £	2020 £
Organisation		
Dartmouth College	278,707	—
Institute of Imagination	500,000	—
Sported Foundation	50,000	253,500
Springboard Bursary Foundation	—	100,000
Havard University	—	19,769
London Children's Museum Institute of Imagination	—	15,000
King Solomon Academy	—	15,000
ULI Charitable Trust	—	5,000

Furthermore, during the year a scholarship was approved by the board of trustees and paid to the sister of Ms C Heath which amounted to £1,890.

As disclosed in note 1, Ms C Heath, a trustee, charged the Charity £10,000 for administrative work performed by her in relation to the charity.

The charity paid Tristan Capital Partners LLP £78,117 (2020 - £159,857) in respect of expenses incurred on the charity's behalf. At 30 April 2021, the charity was owed £nil by Tristan Capital Partners LLP (2020 - £2,500). Furthermore, no balances were due to Tristan Capital Partners LLP at year end (2020 – nil).

9 Related party disclosures (continued)

R Lewis is the Chief Executive of Tristan Capital Partners LLP and the charge was made on an arm's length basis under a formalised contract and is permissible under the charitable company's constitution.

10 Ultimate parent company

Black Heart Foundation (US) is the ultimate parent company. The ultimate controlling parties are Richard Lewis, Larry Lawrence and Brian Burke as majority members of the ultimate parent company.

No consolidated accounts are prepared by Black Heart Foundation (US) which is a non-stock, non-profit corporation organised under The Delaware General Corporation Law.