

Companies House

**Black Heart Foundation (UK)
Limited**

**Annual Report and Financial
Statements**

30 April 2023

Company Registration Number 07241076

Charity Registration Number 1136813

Contents

Reports

Reference and administrative information	1
Report of the Trustees	2
Independent auditor's report	9

Financial statements

Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Principal accounting policies	16
Notes to the financial statements	19

Reference and administrative information

Trustees	Mr R W Lewis (Chair) Ms C Heath Mr M Vaughn Mrs O Griffiths Mr R Howlett Mr R A Lewis Mr B Sharpe Mr M Dawson
Company Secretary	Ms C Heath
Registered office	Berkeley Square House 8 th Floor Berkeley Square London W1J 6DB
Company registration number	07241076 (England and Wales)
Charity registration number	1136813
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
Bankers	Coutts & Co 440 The Strand London WC2R 0QS

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 2023. 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 (Chair)
- ◆ Ms C Heath
- ◆ Mr M Dawson
- ◆ Mr B Sharpe
- ◆ Mr R Howlett
- ◆ Mrs O Griffiths
- ◆ Mr M Vaughn
- ◆ Mr R A Lewis

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.

Organisational structure (continued)

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.

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.

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-represented people. 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 is not current registered with any voluntary scheme for regulating fundraising 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.

Fundraising strategy (continued)

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 a further 99 successful candidates, taking the total number of scholars to over 700. 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 2022 - 2023 and into the next year as we continued to successfully increase followship and partner with fellow contributors to our cause.

Financial review

The Foundation is reliant upon future donations and income from future fundraising activities. Income this year amounted to £1,848,380 (2022 - £1,653,872) representing donations received and associated Gift Aid where claimable. Grants and donations totalling £1,819,948 were approved in the year (2022 - £626,537). The cost of generating funds was £308,887 (2022 - £252,790). Governance and other support costs apportioned between these categories amounted to £35,579 (2022 - £42,433) where £11,359 (2022- £23,228) was allocated to charitable activities and £24,220 (2022- £19,205) 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 expenditure was £928,360 (2022 - net expenditure £297,996).

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 2023, the unrestricted funds stood at a deficit of £823,704 (2022 - surplus of £104,656). Although a deficit, the Foundation can rely on donations from key donors to ensure they have enough cash to meet their commitments as they fall due.

Grant-making

Throughout 2022-23, the Foundation has continued to support initiatives that create and present educational access, opportunity and benefit to underprivileged young people.

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 2023-24, is to continue to support 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. Primarily, the Foundation will continue its endeavour to fund scholars via the scholarship programmes from under-represented and under-resourced backgrounds as they pursue their educational ambitions.

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

Statement of Trustees' responsibilities (continued)

- ♦ 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.

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 read 'R W Lewis', is positioned above the printed name.

R W Lewis, Chair

Approved by the board on: 22 January 2024

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 2023 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 2023 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;

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

- ◆ We enquired as to actual and potential litigation and claims; and
- ◆ We tested the authorisation of expenditure as part of our substantive testing thereon.

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: 30 January 2024

Statement of financial activities Year to 30 April 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Income and expenditure					
Income from:					
Donations and legacies		1,818,380	30,000	1,848,380	1,653,872
Total income	2	1,818,380	30,000	1,848,380	1,653,872
Expenditure on:					
Raising funds		308,887	—	308,887	252,790
Charitable activities	3	2,437,853	30,000	2,467,853	1,699,078
Total expenditure		2,746,740	30,000	2,776,740	1,951,868
Net movement in funds and net expenditure for the year		(928,360)	—	(928,360)	(297,996)
Balance brought forward at 1 May 2022		104,656	—	104,656	402,652
Balance carried forward at 30 April 2023		(823,704)	—	(823,704)	104,656

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

The notes on pages 16 to 23 form part of these financial statements.

Balance sheet 30 April 2023

	Notes	2023 £	2022 £
Current assets			
Debtors	6	81,380	36,674
Cash at bank		465,222	260,784
		546,602	297,458
Creditors: amount falling due within one year	7	(592,616)	(192,802)
Net current assets		(46,014)	104,656
Creditors: amount falling due after one year	8	(777,690)	—
Net assets		(823,704)	104,656
Represented by			
Capital and reserves			
. Called up share capital	9	1	1
. Unrestricted general funds		(823,705)	104,655
Shareholder's funds		(823,704)	104,656

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 W Lewis, Chair

Approved by the Board of Trustees on: 22 January 2024

Company registration number: 07241076 (England and Wales)

The notes on pages 16 to 23 form part of these financial statements.

Statement of cash flows 30 April 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	204,438	(420,759)
Change in cash and cash equivalents in the year		204,438	(420,759)
Cash and cash equivalents at 1 May 2022	B	260,784	681,543
Cash and cash equivalents at 30 April 2023	B	465,222	260,784

Notes to the statement of cash flows for the year to 30 April 2023.

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(928,360)	(297,996)
Adjustments for:		
(Increase)/decrease in debtors	(44,706)	110,168
Increase/(decrease) in creditors	1,177,504	(232,931)
Net cash (used in) provided by operating activities	204,438	(420,759)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	465,222	260,784
Total cash and cash equivalents	465,222	260,784

The notes on pages 16 to 23 form part of these financial statements.

Principal accounting policies 30 April 2023

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 2023.

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 may require the trustees to make significant judgements and estimates. In the trustees' opinion, no such judgements or estimates were necessary in preparing these financial statements.

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 2022, the unrestricted funds stood at a deficit of £823,704 (2022 - surplus of £104,656). Currently commitments exceed reserves, however Board Chair R Lewis has provided the income to fund these commitments post year-end and will continue to do so.

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.

Foreign Transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

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 3 employees for the year to 30 April 2023 (2022 – 2).

Tristan Capital Partners charged £nil (2022 – £10,000) to the charity to recoup additional salary paid to C Heath, a trustee, for administrative work performed in relation to the charity.

R Lewis is the Chief Executive Officer of Tristan Capital Partners and C Heath is an Executive Director at Tristan Capital Partners. The charge was made on an arm's length basis and permissible under the charitable company's constitution.

No trustee had expenses reimbursed in 2023 and 2022. Trustees received no remuneration in 2023 and 2022.

2 Income

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Donations	1,463,504	30,000	1,493,504	1,435,433
Gift Aid	354,876	—	354,876	218,439
	1,818,380	30,000	1,848,380	1,653,872

One trustee donated a total amount of £1,189,250 to the Foundation in the year (2022 - two trustees donated £261,033).

3 Charitable activities

The charity approved the following grants, scholarships and donations during the year ended 30 April 2023.

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
In support of education				
Springboard Foundation	10,000	—	10,000	100,000
The Access Project	—	—	—	48,000
FT Financial Literacy and Inclusion Campaign (FLIC)	—	—	—	50,000
King's College London (KCL)	—	—	—	500
Eastside Young Learners Academy (EYLA)	8,206	—	8,206	10,906
LEAP	75,000	—	75,000	18,821
Urban Land Institute	—	—	—	20,000
The Old Vic Theatre	29,250	—	29,250	29,250
South Hampstead High School	25,000	—	25,000	25,000
The Young Vic Theatre	300,000	—	300,000	—
The Portobello Dance School	—	—	—	2,500
Yorke Dance Project	—	—	—	10,000
Dartmouth College Fund	1,321,943	—	1,321,943	247,560
University of Chicago	20,149	—	20,149	—
	1,789,548	—	1,789,548	562,537
In support of other causes				
100 Black Interns	2,000	—	2,000	4,000
Black British Golfers	—	—	—	10,000
The World Reimagined	23,400	—	23,400	—
The Seaver Foundation	5,000	—	5,000	—
Lymphatic Education and Research Network (LERN)	—	—	—	50,000
	30,400	—	30,400	64,000
Total Scholarships	606,546	30,000	636,546	1,049,313
Total grants, donations and scholarships	2,426,494	30,000	2,456,494	1,675,850
Allocated support costs (note 4)	11,359	—	11,359	23,228
Total charitable activities	2,437,853	30,000	2,467,853	1,699,078

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

	2023 £	2022 £
Grant commitments at 1 May	170,000	410,000
Approved during the year (see above)	1,819,948	626,537
Paid during the year	(672,866)	(866,537)
Grant commitments at 30 April (note 7 and 8)	1,317,082	170,000

3 Charitable activities (continued)

	2023 £	2022 £
Commitments at 30 April are payable as follows		
Within one year (note 7)	539,393	170,000
Between one and five years (note 8)	619,228	—
More than five years (note 8)	158,461	—
	1,317,082	170,000

4 Support costs

	2023 £	2022 £
Audit fees		
. Current year	6,600	4,920
Taxation services		
. Current year	7,637	8,179
Governance	21,342	29,334
	35,579	42,433

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

5 Staff costs

	2023 £	2022 £
Salaries and wages	138,567	121,369
Social security	15,347	10,575
Pension	6,188	5,244
	160,102	137,188

The average number of employees employed by the company in the year was 3 (2022 - 2).

The key management personnel of the Trust comprise the trustees.

Members of staff with remuneration over £60,000 were:

	2023 No.	2022 No.
£90,001 - £100,000	—	1
£100,001 - £110,001	1	—

6 Debtors

	2023 £	2022 £
Amounts owed by group undertaking – called up share capital not paid	1	1
GiftAid due	81,379	31,547
Other debtors	—	5,126
	81,380	36,674

7 Creditors: amounts falling due within one year

	2023 £	2022 £
Sponsorship commitments (note 3)	277,393	12,000
Accruals and deferred income	53,223	22,802
Grant commitments (note 3)	262,000	158,000
	592,616	192,802

8 Creditors: amounts falling due after one year

	2023 £	2022 £
Sponsorship commitments (note 3)	752,690	—
Grant commitments (note 3)	25,000	—
	777,690	—

9 Share capital

	2023 £	2022 £
Alloted, called up and unpaid		
1 ordinary share of £1 each	1	1

10 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:

	2023 £	2022 £
Organisation		
Dartmouth College	1,321,943	247,560
Institute of Imagination	—	350,000
Eastside Young Learner's Academy	8,206	—
Springboard Foundation	10,000	—

As disclosed in note 1, Tristan Capital Partners LLP charged £nil to the charity to recoup additional salary paid to C Heath, a trustee, for administrative work performed in relation to the Foundation (2022 - £10,000). In prior years this has been charged directly by C Heath.

The charity paid Tristan Capital Partners LLP £43,951 (2022 - £53,633) in respect of expenses incurred on the charity's behalf. At 30 April 2023, the charity was owed £nil by Tristan Capital Partners LLP (2022 - £nil). Furthermore, £4,873 (2022 - £9,702) was due to Tristan Capital Partners LLP at year end. During the year, £20,000 (2022 - £nil) was donated by Tristan Capital Partners LLP.

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

M Dawson made a donation during the year of £10,000. There was no amount owing or owed to M Dawson at the year end.

11 Ultimate parent company

Black Heart Foundation (US) is the ultimate parent company, which is registered in the US EIN 98-0670335. It's address is the same as that of The Black Heart Foundation (UK). 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.