

Hearo Trust Fund
Unaudited Financial Statements
31 March 2021

HAFFNER HOFF LTD

Accountants
2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Hearo Trust Fund

Financial Statements

Year ended 31 March 2021

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Hearo Trust Fund

Trustees' Annual Report

Year ended 31 March 2021

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

Reference and administrative details

Registered charity name	Hearo Trust Fund
Charity registration number	1171009
Principal office	144 Albert Avenue Prestwich Manchester M25 0HE

The trustees

T Adler
C M Hassell
S Roberts

Independent examiner	Mr Howard Schwalbe ACA 2nd Floor - Parkgates Bury New Road Prestwich Manchester M25 0TL
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Hearo Trust Fund

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Structure, governance and management

Hearo Trust Fund is an unincorporated charity constituted under a trust deed dated 06 July 2016. It is a registered charity with a charity number being 1171009 and was registered as a charity on 06 January 2017.

Recruitment and appointment of new trustees would be in line with the Trust Deed and with the consent of the trustees. The criteria set for the suitable candidate would be someone who is sensitive to the needs and demands of the organisation.

There is no chief executive officer. The day to day affairs are undertaken by Mr C M Hassell on behalf of the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees.

There are no policies for the induction or training of new trustees.

Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage our exposure to the major risks.

The risks faced by the trust are principally operational risks from ineffective grant making. These risks are managed by the trustees researching potential beneficiaries before granting donations.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all grants.

Hearo Trust Fund

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Objectives and activities

The objects of the charity are: (i) For the public benefit promote the education of people of all ages around the world in such ways as the charity trustees think fit, including awarding to such persons scholarships, maintenance allowances or grants; or by grants to charities or other organisations worldwide that provide education. (ii) The prevention or relief of poverty or financial hardship anywhere in the world by providing: grants or loans to individuals in need and /or charities, or other organisations working to prevent or relieve poverty of financial hardship. (iii) To advance the orthodox Jewish religion worldwide for the benefit of the public in accordance with the principles of the code of Jewish law (Shulchan Aruch).

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year.

Grant making policy

The charity has established its grant making policy to achieve its objects for the public benefit. The charity invites applications for funding through contacting local philanthropists to contribute towards projects that both the trustees and the philanthropists feel are appropriate for the charities objects.

The application of the funds by way of grants is to either institutions or individuals and is almost always to institutions.

The trustees consider they have met the public benefit test and outline these achievements below.

The trustees measure the success of achieving the stated aims by the number and value of grants paid out for each object. The grants paid out in the year are detailed in the notes to the accounts and the trustees consider they have met their aims successfully this year.

The trustees consider the shorter term aims to be similar to the longer term aims and assess the achievement of the charity in the same way.

Hearo Trust Fund

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Achievements and performance

The charity received £110,047 in donations during the year and £131,216 was paid out by way of grants and support costs. These grants were made in line with the stated objects of the charity and were for educational or relief of poverty purposes.

The charity also had investment income receivable during the year amounting to £14,155 with associated costs amounting to £4,840.

The charity has low governance costs comprising professional fees.

All other office costs are borne by a local benefactor and the trustees wish to record their appreciation to the benefactor for the free use of their offices.

Grants over £1,000 made during the year to institutions are as detailed in the accounts.

There were no material fundraising costs during the year.

Related party transactions are disclosed as applicable in the notes to the accounts.

There was a net expenditure and net movement in funds for the year amounting to £(11,854).

Hearo Trust Fund

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Financial review

Investment performance

The investments of the charity have all performed well in the year with returns of 7.2% overall on investment. This is far better when compared to returns from bank deposits for which returns are far lower and do not allow for a capital growth potential.

These property investment returns are not at the expense of any exposure of loan to value covenants that would put these investments at risk.

The trustees feel that the activity reflects the profile and standing within the local community. Overall, the year was acceptable in terms of income generated from donations and grants paid out.

The impact for future year's expenditure is self evident and the trustees would like to record their appreciation for all the financial support received from benefactors during the course of the year.

Coronavirus

The charity has not been materially affected by the coronavirus.

Reserves policy

The Unrestricted Fund represents the unrestricted funds arising from past operating results.

The Trustees are satisfied that the balance of the Fund is an acceptable level of reserves given the nature of revenue receipts against grants payable. There are net current liabilities and the trustees refer the reader of the accounts to the accounting policy note 3 regarding going concern.

In considering the limited financial obligations of the charity, the trustees have resolved to maintain a minimum reserve roughly equal to the net current assets of the charity.

The trustees have considered the fair value of the investment property and the trustees consider the holding value to be the fair value.

The trustees are delighted to have made valuable contributions to the community as a result of this income and hope to be able to do so for many years to come.

The free reserves of the charity being the net current liabilities stand at £(22,743), all of which are unrestricted.

The Trustees are aware that the charity has net current liabilities, this is due to the interest free loans in other creditors. The creditors have assured that the loans will not be called in to the detriment of the cash flow of the charity.

Hearo Trust Fund

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

The trustees' annual report was approved on 26 January 2022 and signed on behalf of the board of trustees by:

S Roberts
Trustee

Hearo Trust Fund

Independent Examiner's Report to the Trustees of Hearo Trust Fund

Year ended 31 March 2021

I report to the trustees on my examination of the financial statements of Hearo Trust Fund ('the charity') for the year ended 31 March 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

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.

Mr Howard Schwalbe ACA

Independent Examiner

2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

26 January 2022

Hearo Trust Fund

Statement of Financial Activities

Year ended 31 March 2021

		2021		2020
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	110,047	110,047	69,298
Investment income	5	14,155	14,155	11,609
Total income		<u>124,202</u>	<u>124,202</u>	<u>80,907</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	6	4,840	4,840	4,444
Expenditure on charitable activities	7,8	131,216	131,216	88,215
Total expenditure		<u>136,056</u>	<u>136,056</u>	<u>92,659</u>
Net expenditure and net movement in funds		<u>(11,854)</u>	<u>(11,854)</u>	<u>(11,752)</u>
Reconciliation of funds				
Total funds brought forward		44,132	44,132	55,884
Total funds carried forward		<u>32,278</u>	<u>32,278</u>	<u>44,132</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 10 to 17 form part of these financial statements.

Hearo Trust Fund

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	130,000	130,000
Current assets			
Debtors	15	—	4,914
Cash at bank and in hand		48,561	29,035
		<u>48,561</u>	<u>33,949</u>
Creditors: amounts falling due within one year	16	71,304	43,325
Net current liabilities		<u>22,743</u>	<u>9,376</u>
Total assets less current liabilities		107,257	120,624
Creditors: amounts falling due after more than one year	17	74,979	76,492
Net assets		<u>32,278</u>	<u>44,132</u>
Funds of the charity			
Unrestricted funds		32,278	44,132
Total charity funds	18	<u>32,278</u>	<u>44,132</u>

These financial statements were approved by the board of trustees and authorised for issue on 26 January 2022, and are signed on behalf of the board by:

C M Hassell
Trustee

The notes on pages 10 to 17 form part of these financial statements.

Hearo Trust Fund

Notes to the Financial Statements

Year ended 31 March 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 144 Albert Avenue, Prestwich, Manchester, M25 0HE.

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. Although there are net current liabilities falling due within one year, these are from the trustees who have confirmed they will not call in these loans to the detriment of the cash flow of the charity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Hearo Trust Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 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.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Hearo Trust Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

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.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Hearo Trust Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	110,047	110,047	69,298	69,298

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	14,155	14,155	11,609	11,609

6. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Rent collection and property costs	1,416	1,416	1,506	1,506
Property repairs and maintenance charges	663	663	590	590
Finance costs	2,761	2,761	2,348	2,348
	<u>4,840</u>	<u>4,840</u>	<u>4,444</u>	<u>4,444</u>

Hearo Trust Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Charitable grants	130,375	130,375	87,315	87,315
Support costs	841	841	900	900
	<u>131,216</u>	<u>131,216</u>	<u>88,215</u>	<u>88,215</u>

8. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable grants	130,375	3	130,378	87,315
Governance costs	–	838	838	900
	<u>130,375</u>	<u>841</u>	<u>131,216</u>	<u>88,215</u>

9. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
General office	3	3	–
Governance costs	838	838	900
	<u>841</u>	<u>841</u>	<u>900</u>

10. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Community Grants	65,743	58,532
Educational Grants	44,312	12,770
Grants under £1,000	20,120	16,013
	<u>130,175</u>	<u>87,315</u>
Total grants	<u>130,175</u>	<u>87,315</u>

11. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	840	900
	<u>840</u>	<u>900</u>

Hearo Trust Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

12. Staff costs

The average head count of employees during the year was Nil (2019:Nil).

No employee received employee benefits of more than £60,000 during the year (2019:Nil).

13. Trustee remuneration and expenses

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

14. Investments

	Investment properties £
Cost or valuation	
At 1 April 2020 and 31 March 2021	130,000
Impairment	
At 1 April 2020 and 31 March 2021	
Carrying amount	
At 31 March 2021	130,000
At 31 March 2020	130,000

All investments shown above are held at valuation.

Investment properties

Investment properties represent two wholly owned investment properties. The properties are managed by the trustees through a company called Benrob Limited, a company owned by Mr S Roberts, and a standard 10% management fee is charged for the management of these properties.

The valuation is at fair value in the opinion of the trustees.

15. Debtors

	2021 £	2020 £
Other debtors	—	4,914

This figure represents the income from the investment properties which is remitted post year end.

Hearo Trust Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	2,000	2,738
Accruals and deferred income	1,890	1,050
Other creditors	67,414	39,537
	<u>71,304</u>	<u>43,325</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	<u>74,979</u>	<u>76,492</u>

18. Analysis of charitable funds

Unrestricted funds

	At 01 Apr 2020 £	Income £	Expenditure £	At 31 Mar 2021 £
General funds	<u>44,132</u>	<u>124,202</u>	<u>(136,056)</u>	<u>32,278</u>

	At 01 Apr 2019 £	Income £	Expenditure £	At 31 Mar 2020 £
General funds	<u>55,884</u>	<u>80,907</u>	<u>(92,659)</u>	<u>44,132</u>

Hearo Trust Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Investments	130,000	130,000
Current assets	48,561	48,561
Creditors less than 1 year	(71,304)	(71,304)
Creditors greater than 1 year	(74,979)	(74,979)
Net assets	<u>32,278</u>	<u>32,278</u>

	Unrestricted Funds £	Total Funds 2020 £
Investments	129,999	129,999
Current assets	33,949	33,949
Creditors less than 1 year	(43,324)	(43,324)
Creditors greater than 1 year	(76,492)	(76,492)
Net assets	<u>44,132</u>	<u>44,132</u>

20. Related parties

During the year, £770 was donated to Hearo Trust Fund by a UK company under the directorship of a trustee of the charity.

In other creditors there are amounts totalling £67,414 owing to the trustees and UK companies under their directorship on an interest free basis.

21. Taxation

Hearo Trust Fund is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.