

**THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION CIO
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Lilian Hochhauser CBE (Chair)
Shari Greenberg
Simon Hochhauser
Mark Sofer
Daniel Hochhauser

Charity number

1180783

Accountants

Bright Grahame Murray
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 2
Accountants' report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 12

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives, activities and aims

The charity's objects are, as approved by the Charity Commission, the advancement of such charitable purposes as the trustees in their absolute discretion consider appropriate. The aims of the charity are mainly to support other charities in their work by the granting of donations for either general use or specific projects, which reflects the purposes for which the charity was set up to further.

The trustees have agreed that the primary areas of focus for the charity will be as follows:-

- charities connected with the Jewish community; and
- charities which support charitable projects in Israel; and
- charities which focus on music and the arts; and
- charities which provide social care or health care or which fund medical research.

Public Benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The charity made 24 donations during the period totalling £549,950. The largest donation made during the year was £500,000 to the Royal College of Music. On 31 January 2021, the charity entered into an agreement with the Royal College of Music. Under the terms of the agreement, the Charity will grant a total of £500,000 over seven years, commencing in the 2021-2022 academic year. The grant will provide for six annual tuition scholarships to be known as The Victor and Lilian Hochhauser Scholarships. At 31 December 2021 £428,500 of this grant remains unpaid and has been included in the creditors of the Charity, of which £71,500 is due within 1 year.

Financial review

Income for 2021 totalled £2, being interest on bank deposits. Expenditure totalled £553,232 and the net position was a deficit of £500,148.

Reserves policy

At 31 December 2021, the charity held reserves of £707,852. It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained. Capital funds are maintained in order to generate investment income and to fund the charity's objectives as no other fund-raising activities are undertaken.

Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The principal risk faced by the Charity lies in the performance of its investments. The trustees consider that the variability of investment returns constitute financial risk, which is mitigated by retaining experienced and expert investment managers.

Investment of Funds

On 25 September 2020, the charity entered into an agreement with Sarasin & Partners LLP ("Sarasin") whereby Sarasin will manage the investment portfolio of the charity in accordance with the charity's Investment Policy. The bulk of its funds are subsequently held in the Sarasin portfolio.

Plans for future periods

The charity has no plans to change its current objectives and activities and intends to continue making donations as long as resources are available.

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

The charity is a registered Charitable Incorporated Organisation (CIO) (Charity registration no 1180783), registered on 21 November 2018. It is governed by a constitution which established the objects and powers of the charitable organisation.

The trustees who served during the year and up to the date of signature of the financial statements were:

Lilian Hochhauser CBE (Chair)

Shari Greenberg

Simon Hochhauser

Mark Sofer

Daniel Hochhauser

All of the above trustees were appointed on 21 November 2018.

Apart from the first charity trustees listed above who are appointed for lifetime, every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the charity.

All trustees give their time voluntarily and receive no benefits from the charity.

The founders of the CIO were Victor Hochhauser and Lilian Hochhauser. The organisational structure is such that the trustees are the officers of the organisation.

The board of trustees meets regularly and gives detailed consideration to monitoring the progress of the charity in achieving its performance and objectives. This includes separating out returns from investments, governance reviews, grant strategies, approving grant applications as well as identification and management of risk.

The trustees' report was approved by the Board of Trustees.

Lilian Hochhauser CBE (Chair)

Trustee

Dated: 26 October 2022

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

CHARTERED ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2021

In order to assist you to fulfil your duties under the Charities Act 2011, we have prepared for your approval the financial statements of The Victor and Lilian Hochhauser Foundation for the year ended 31 December 2021, which comprise the statement of financial activities and the related notes from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>

This report is made to the charity's trustees, as a body, in accordance with the terms of our engagement letter dated 28 July 2020. Our work has been undertaken solely to prepare for your approval the financial statements of The Victor and Lilian Hochhauser Foundation and state those matters that we have agreed to state to the charity's trustees, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Victor and Lilian Hochhauser Foundation and the charity's trustees as a body, for our work or for this report.

It is your duty to ensure that The Victor and Lilian Hochhauser Foundation has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and deficit of The Victor and Lilian Hochhauser Foundation. You consider that The Victor and Lilian Hochhauser Foundation is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.}

We have not been instructed to carry out an audit or a review of the financial statements of The Victor and Lilian Hochhauser Foundation. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Bright Grahame Murray

26 October 2022

Chartered Accountants

Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and legacies	3	-	41,875
Investments	4	2	2,461
Total income		2	44,336
<u>Expenditure on:</u>			
Charitable activities	5	553,232	71,270
Net gains/(losses) on investments	10	53,082	31,094
Net movement in funds		(500,148)	4,160
Fund balances at 1 January 2021		1,208,000	1,203,840
Fund balances at 31 December 2021		707,852	1,208,000

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	11	1,084,168		1,131,094	
Current assets					
Cash at bank and in hand		56,534		79,006	
Creditors: amounts falling due within one year	12	(75,850)		(2,100)	
Net current (liabilities)/assets			(19,316)		76,906
Total assets less current liabilities			1,064,852		1,208,000
Creditors: amounts falling due after more than one year	13	(357,000)			-
Net assets			707,852		1,208,000
Income funds					
Unrestricted funds			707,852		1,208,000
			707,852		1,208,000

The financial statements were approved by the Trustees on 26 October 2022

Lilian Hochhauser CBE (Chair)
Trustee

Simon Hochhauser
Trustee

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Victor and Lilian Hochhauser Foundation is a registered Charitable Incorporated Organisation (CIO) (Charity registration no 1180783), registered on 21 November 2018. It is governed by a constitution which established the objects and powers of the charitable organisation.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, except for valuation of investments which are stated at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is included in the Statement of Financial Activities on an accruals basis.

Donations are payments made to third parties in the furtherance of the charitable objects of the Foundation, and are accounted for when the Trustees have agreed to pay the donation without conditions.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Investments are held and managed by a third party asset management firm, Sarasin & Partners LLP, and year end valuations are based on the portfolio report provided.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There were no critical accounting judgements and estimates made by the trustees in the preparation of these financial statements.

3 Donations and legacies

	Total	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	-	41,875

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	2	2,461

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities

	2021 £	2020 £
Grant funding of activities (see note 6)	549,950	64,285
Share of governance costs (see note 7)	3,282	6,985
	<u>553,232</u>	<u>71,270</u>

6 Grants payable

	2021 £	2020 £
Grants to institutions:		
Israel Philharmonic Orchestra Foundation UK	-	2,000
Anglo-Israel Association	-	5,000
Ohel Sarah UK	1,000	1,000
British Emunah Fund	-	1,000
KKL Charity Accounts	9,600	6,685
Royal Academy of Dance	-	5,000
United Synagogue	1,300	100
University Jewish Chaplaincy	-	4,000
University College London Hospitals Charity	-	25,000
Shabbaton Choir	-	1,000
Tzedek	-	1,000
Board of Deputies Charitable Foundation	-	3,000
Royal College of Music	500,000	3,000
Wigmore Hall	20,000	-
Friends of Alyn	10,000	-
Save a Child's Heart	1,500	-
Community Security Trust	1,500	-
Other	5,050	6,500
	<u>549,950</u>	<u>64,285</u>

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Accountancy	-	3,210	3,210	3,084
Bank Charges	-	10	10	1
Legal and professional	-	62	62	3,900
	<u>-</u>	<u>3,282</u>	<u>3,282</u>	<u>6,985</u>
Analysed between				
Charitable activities	-	3,282	3,282	6,985
	<u>-</u>	<u>3,282</u>	<u>3,282</u>	<u>6,985</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Revaluation of investments	53,951	31,094
Gain/(loss) on sale of investments	(869)	-
	<u>53,082</u>	<u>31,094</u>

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Fixed asset investments

	0 £
Cost or valuation	
At 1 January 2021	1,131,094
Valuation changes	53,082
Disposals	(100,008)
	<hr/>
At 31 December 2021	1,084,168
	<hr/>
Carrying amount	
At 31 December 2021	1,084,168
	<hr/> <hr/>
At 31 December 2020	1,131,094
	<hr/> <hr/>

	2021 £	2020 £
Investments at fair value comprise:		
UK Equity Funds	1,083,116	1,130,080
Cash on interest bearing deposits	1,052	1,014
	<hr/>	<hr/>
	1,084,168	1,131,094
	<hr/> <hr/>	<hr/> <hr/>

All investments are carried at their fair value.

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	71,500	-
Accruals and deferred income	4,350	2,100
	<hr/>	<hr/>
	75,850	2,100
	<hr/> <hr/>	<hr/> <hr/>

Included within other creditors is a grant payable to the Royal College of Music of £71,500 (Note 13).

13 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	357,000	-
	<hr/> <hr/>	<hr/> <hr/>

Included within other creditors is a grant payable to the Royal College of Music of £357,000. Under the terms of the agreement, the charity will grant a total of £500,000 over seven years. The grant provides for six annual tuition scholarships known as The Victor and Lilian Hochhauser scholarships.

THE VICTOR AND LILIAN HOCHHAUSER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Related party transactions

During the year the charity entered into the following transactions with related parties.

The charity received gross donations totalling £nil from the trustees (2021: £41,875).

During the year the charity made no grants to institutions where potential conflicts of interest were present.

15 Taxation

The charity is exempt from Corporation Tax as all its income is charitable and is applied for charitable purposes.