
THE MAURICE HATTER FOUNDATION CIO

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

THE MAURICE HATTER FOUNDATION CIO

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THE MAURICE HATTER FOUNDATION CIO

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 5 APRIL 2021

Trustees	P D Barclay F U Furlotti R M Hatter
Charity commission number	1187823
Registered office	Onslow House Onslow Street Guildford Surrey GU1 4TL
Independent auditor	Nexia Smith and Williamson Chartered Accountants Statutory Auditor Onslow House Onslow Street Guildford GU1 4TL

THE MAURICE HATTER FOUNDATION CIO

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their report and the accounts for the period ended 5 April 2021.

Structure, governance and management

The Maurice Hatter Foundation is a Charitable Incorporated Organisation (the CIO) and was registered with the Charity Commission on 7 February 2020 under charity number 1187823. It is governed by its constitution.

The Charity is controlled by the trustees who approve all donations and investment decisions.

On 5 April 2020 the Charity received the assets, liabilities and charitable activities of The Maurice Hatter Foundation, a trust registered under charity number 298119 (the Trust). The trustees of the Trust are R M Hatter, F U Furlotti and P Barclay. The Trust is no longer active and will be closed. The transfer of assets meets the criteria of a merger for accounting purposes as the beneficiaries and management structure remains the same in the CIO as it was in the Trust. Therefore these accounts present financial information as if the CIO had always existed.

Trustees

The Trustees who were appointed on incorporation and served during the period were:

R M Hatter
F U Furlotti
P Barclay

Trustee appointment, training and induction

In accordance with the Constitution, new Trustees are appointed by the continuing Trustees. When appointing new Trustees, the existing Trustees will take account of the skills required by the Trustee Board. New Trustees will be provided with a copy of the most recent accounts and the Constitution and will be given further information regarding finance, governance and charitable objectives.

Related parties

During the year, the Foundation made no grants to organisations which the Trustees consider to be related parties by virtue of offices held. Other related party transactions are disclosed in note 21.

Risk factors

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.

Objectives and activities

The objective of the Charity is to make distributions to various charitable causes at the discretion of the Trustees. Distributions can take the form of grants or long or short term loans secured or unsecured at any or no interest.

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit.

Financial review

The gross income of the Charity in the year to 5 April 2021 was £33,385,013 (2020 - £4,179,276) and the net income before gains/(losses) on investments £30,515,906 (2020 - £1,880,199). Grants of £2,066,047 (2020 - £1,840,726) were made in the year to 5 April 2021.

The Charity received legacy income from the Estate of Sir Maurice Hatter in the form of a 75% shareholding in IMO Precision Controls Limited valued at £14m and a legacy receivable in respect of two property assets totalling £18.7m.

Achievements and performance

The Charity has continued to make grants to deserving causes. The investment property at 141 Moorgate was fully let during the year and generating income, although covid-related rent concessions were awarded to some tenants. Post year end this property was sold for £7m, of which 48.96% was payable to the Charity.

THE MAURICE HATTER FOUNDATION CIO

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

Plans for the future

The continued allocation and distribution of income to nominated charities in accordance with the Foundation's Investment Policy Statement.

Reserves policy

The Trustees have yet to develop a reserves policy for the newly established Charity.

Investment policy

The Trustees continue to take a prudent approach to the investment of funds with a view to maximising the income available for distribution.

The leasehold property at 141 Moorgate, London was included at the Trustees' estimate of market value of £3,100,000 in the financial statements as at 5 April 2021. This property was sold subsequent to the year end.

Grant Making Policy

The charity aims to distribute income generated from investments and cash deposits to charitable causes deemed worthy by the Trustees. The Trustees intend to focus the majority of their grant making activities on supporting the following causes: education and technology; medical research especially (but not exclusively) in the field of cardiology; support for those with disabilities; social welfare and social mobility and support for the Jewish faith, continuity and culture, including the promotion of understanding between different faiths.

The trustees review the focus of their grant making and the grant making policy on an annual basis but may consider from time to time making grants for other charitable purposes.

Fundraising Standards Information

The Foundation does not use any professional fundraisers or commercial participators in the carrying out of charitable activities.

Approved by order of the members of the board of trustees and signed on their behalf by:


rhatter (Jul 2, 2022 19:03 GMT+1)

R M Hatter

Date: 02/07/2022

THE MAURICE HATTER FOUNDATION CIO

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 5 APRIL 2021

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable regulations). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 of the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE MAURICE HATTER FOUNDATION CIO

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES' OF THE MAURICE HATTER FOUNDATION

Opinion

We have audited the financial statements of The Maurice Hatter Foundation CIO (the 'Charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Charity's affairs as at 5 April 2021 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

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 Charity 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 Charity'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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES' OF THE MAURICE HATTER FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Trustees' 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 Trustees' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- the financial statements are not in agreement with the accounting records and; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES' OF THE MAURICE HATTER FOUNDATION
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

We obtained a general understanding of the Charity's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; and the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the charity sector and its regulation.

We understand that the Charity complies with the framework through:

- Outsourcing accounts preparation and tax compliance to external experts.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the charity's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Charity:

- The Charities Act 2011 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Incorrect reporting of income, including legacy income
- Manipulation of the financial statements, especially income, via fraudulent journal entries
- Incorrect valuation of unlisted investments

The procedures we carried out to gain evidence in the above areas included:

- Obtaining evidence of completeness and valuation of income
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts
- Testing management's estimation of unlisted investment valuations including consideration of possible bias

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, both the senior statutory auditor and the audit manager have a number of years' experience in auditing similar charities.

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

THE MAURICE HATTER FOUNDATION CIO

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES' OF THE MAURICE HATTER FOUNDATION
(CONTINUED)

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

[Nexia Smith & Williamson \(Jul 4, 2022 10:59 GMT+1\)](#)

Julie Mutton (Senior Statutory Auditor)

for and on behalf of

Nexia Smith and Williamson

Chartered Accountants

Statutory Auditor

Onslow House

Onslow Street

Guildford

GU1 4TL

Date: 04/07/2022

THE MAURICE HATTER FOUNDATION CIO

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 5 APRIL 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	4	32,797,477	32,797,477	3,356,250
Investment income	5	587,536	587,536	823,026
Total income		33,385,013	33,385,013	4,179,276
Expenditure on:				
Cost of raising funds	6	1,059,228	1,059,228	447,391
Charitable activities	7	1,809,879	1,809,879	1,851,686
Total expenditure		2,869,107	2,869,107	2,299,077
Net income before net gains/(losses) on investments		30,515,906	30,515,906	1,880,199
Net gains/(losses) on investments		2,285,369	2,285,369	(1,309,619)
Net income and net movement in funds		32,801,275	32,801,275	570,580
Reconciliation of funds:				
Total funds brought forward		20,870,398	20,870,398	20,299,818
Net movement in funds		32,801,275	32,801,275	570,580
Total funds carried forward		53,671,673	53,671,673	20,870,398

The notes on pages 12 to 26 form part of these financial statements.

THE MAURICE HATTER FOUNDATION CIO
REGISTERED NUMBER:

BALANCE SHEET
AS AT 5 APRIL 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	12	28,172,125	12,365,099
Investment property	11	3,100,000	3,100,000
		31,272,125	15,465,099
Current assets			
Debtors	13	19,338,222	502,071
Cash at bank and in hand		6,047,954	6,770,418
		25,386,176	7,272,489
Creditors: amounts falling due within one year	14	(1,684,918)	(1,867,190)
Net current assets		23,701,258	5,405,299
Total assets less current liabilities		54,973,383	20,870,398
Creditors: amounts falling due after more than one year	15	(1,301,710)	-
Total net assets		53,671,673	20,870,398
Charity funds			
Unrestricted funds	16	53,671,673	20,870,398
Total funds		53,671,673	20,870,398

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

rhatter
rhatter (Jul 2, 2022 19:03 GMT+1)

R M Hatter
Trustee
Date: 02/07/2022

The notes on pages 12 to 26 form part of these financial statements.

THE MAURICE HATTER FOUNDATION CIO

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	(1,862,343)	1,803,719
Cash flows from investing activities			
Net additions to investments		(3,948,612)	(28,029,177)
Investment income		587,536	823,026
Investment disposals		4,500,955	23,805,290
Net cash provided by/(used in) investing activities		1,139,879	(3,400,861)
Change in cash and cash equivalents in the year		(722,464)	(1,597,142)
Cash and cash equivalents at the beginning of the year		6,770,418	8,367,560
Cash and cash equivalents at the end of the year	19	6,047,954	6,770,418

The notes on pages 12 to 26 form part of these financial statements

THE MAURICE HATTER FOUNDATION CIO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. General information

The Maurice Hatter Foundation is a charitable incorporated organisation ("CIO"), registered with the Charity Commission in England and Wales with registered number 1187823. The registered address is Onslow House, Onslow Street, Guildford, Surrey, GU1 4TL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Maurice Hatter Foundation CIO meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Merger accounting

On 7 February 2020 The Maurice Hatter Foundation was registered as a CIO with the Charity Commission (charity registration number 1187823). On 5 April 2020 the assets, liabilities and activities of The Maurice Hatter Foundation (a charitable trust with charity registration number 289119) were transferred to the CIO. This transaction constitutes a group reconstruction, there being no change in trustees and beneficiaries of the charity, and is accounted for using merger accounting principles, namely that the financial statements are prepared as if The Maurice Hatter Foundation CIO had always been the entity carrying out the activities of The Maurice Hatter Foundation.

2.2 Going concern

The trustees have considered the medium term future of the CIO and its available cashflow and have concluded that there is no material uncertainty relating to the CIO's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

2. Accounting policies (continued)

2.3 Income recognition

All income is recognised once the Foundation has entitlement to the income, receipt is probable and the income can be measured reliably.

Donations and legacies are recognised when the Foundation has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period. Legacies are recognised at fair value.

Rental income is recognised net of VAT on an accruals basis in accordance with the relevant rental agreements. Lease incentives (such as rent-free periods) have been allocated over the entire lease period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

2.4 Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Foundation to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Donations payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Foundation.

Accruals for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The accrual for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Foundation that would permit the Foundation to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Foundation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

2. Accounting policies (continued)

2.5 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the Statement of Financial Activities. Foreign exchange transactions arise where the Foundation makes donations to overseas organisations and on management of its treasury function.

2.6 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

2.7 Allocation of support and governance costs

Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to the statutory audit, accounting and legal fees together with an apportionment of overhead and support costs.

All support and governance costs have been allocated to costs of raising funds on the basis that this is where the majority of trustee time is incurred.

2.8 Costs of raising funds

The costs of raising funds comprise the property management costs associated with the leasehold property held for investment purposes, and support and governance costs.

2.9 Charitable activities

Costs of charitable activities include grants made and bank charges incurred in respect of grants awarded.

2.10 Investment property

Investment properties, which are properties held to generate rental income and/or for capital appreciation, are initially measured at cost (unless received by way of legacy in which case initial recognition is at fair value) and subsequently at fair value. The Trustees have opted to revalue annually to open market value, with the support of independent professional valuation advisers at intervals of not more than three years, at the balance sheet date. Depreciation is not provided in respect of the investment property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

2. Accounting policies (continued)

2.11 Investments

Investments also comprise cash investments in an investment managed portfolio whereby its intention is to provide a long-term return to the foundation. Investments of this type are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Foundation does not acquire put options, derivatives or other complex financial instruments. Investments also comprise cash held for purposes of investment in future investment managed portfolios.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.12 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Foundation becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Foundation's cash management.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Foundation will not be able to collect all amounts due.

2.13 Accumulated funds

The expendable endowment represents the funds settled originally by the settlor together with subsequent donations and the trustees are permitted to apply the capital as if it were income.

The unrestricted property investment fund was created by an original transfer of £3,000,000 from the expendable endowment for the purpose of holding the leasehold investment property. Subsequent movements in the fund have arisen as a result of revaluation of the property by the trustees.

THE MAURICE HATTER FOUNDATION CIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Investment Property

Preparation of the financial statements requires significant judgement by the trustees regarding the valuation of investment properties. Judgement is particularly required in assessing the impact of a minority holding on the valuation of the investment property. The trustees believe that the consequence of a minority stake reduces the foundation's share of the fair value of the property by approximately 10%.

Unlisted investments

Estimation uncertainty exists around the valuation of the charity's unlisted investments. The trustees have particular knowledge of the investment held and have prepared a detailed model to estimate the valuation of this investment at the date of gift and at the end of the period.

Legacies receivable as property assets

Valuation of property assets is a judgemental estimate. The trustees have obtained third party professional valuations of the property assets receivable as legacy income.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations received	-	-
Legacies received and receivable	32,797,477	32,797,477
	<u>32,797,477</u>	<u>32,797,477</u>
	<u><u>32,797,477</u></u>	<u><u>32,797,477</u></u>
	Unrestricted funds 2020 £	Total funds 2020 £
Donations received	2,685,000	2,685,000
Gift aid	671,250	671,250
	<u>3,356,250</u>	<u>3,356,250</u>
	<u><u>3,356,250</u></u>	<u><u>3,356,250</u></u>

THE MAURICE HATTER FOUNDATION CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Rental income from property	311,427	311,427
Service charge income	121,960	121,960
Income from investment portfolio	141,681	141,681
Interest receivable	12,468	12,468
	<hr/> 587,536 <hr/>	<hr/> 587,536 <hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Rental income from property	284,690	284,690
Service charge income	143,720	143,720
Interest receivable	25,966	25,966
Income from investment portfolio	208,218	208,218
Other income	160,432	160,432
	<hr/> 823,026 <hr/>	<hr/> 823,026 <hr/>

THE MAURICE HATTER FOUNDATION CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

6. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £
Portfolio fund management fees	718,021	718,021
Property management expenditure	264,265	264,265
Governance costs	76,942	76,942
	<u>1,059,228</u>	<u>1,059,228</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Portfolio fund management fees	81,185	81,185
Property management expenditure	264,604	264,604
Governance costs	100,577	100,577
Loss on foreign exchange	160	160
	<u>446,526</u>	<u>446,526</u>

THE MAURICE HATTER FOUNDATION CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

7. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £
Grant funding of activities	2,066,047	2,066,047
Discount on future grant commitments	(75,286)	(75,286)
Gain on foreign currency translation	(180,882)	(180,882)
	<u>1,809,879</u>	<u>1,809,879</u>
	<i>Grants to Institutions 2020 £</i>	<i>Total funds 2020 £</i>
Grant funding of activities	1,840,726	1,840,726
Discount on future grant commitments	7,115	7,115
Loss on foreign currency translation	3,845	3,845
	<u>1,851,686</u>	<u>1,851,686</u>

8. Analysis of grants

	2021 £	2020 £
Grants to institutions:		
Education	25,000	1,260,243
Medical research	528,915	317,878
Social welfare	1,435,247	168,605
Religion	71,885	86,500
International policy research	5,000	7,500
	<u>2,066,047</u>	<u>1,840,726</u>

THE MAURICE HATTER FOUNDATION CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

8. Analysis of grants (continued)

Details of grants payable are set out below:

	2021 £	2020 £
Education		
University of Haifa	-	1,179,823
Other donations (each under £100,000)	25,000	80,420
	<u>25,000</u>	<u>1,260,243</u>
	2021 £	2020 £
Medical research		
University College London Hospitals	428,915	227,915
Royal National Orthopaedic Hospital	100,000	-
Other donations (each under £100,000)	-	89,963
	<u>528,915</u>	<u>317,878</u>
	2021 £	2020 £
Social welfare		
Kfar Silver Youth Renovation Project	1,233,247	-
Greenhouse Schools Project Limited	140,000	-
Other donations (each under £100,000)	62,000	168,605
	<u>1,435,247</u>	<u>168,605</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

8. Analysis of grants (continued)

	2021 £	2020 £
Religion		
Woolf Institute	23,385	-
British Friends of Or Chadash	12,500	-
Jewish Care	10,000	-
United Jewish Israel Appeal	10,000	-
Other donations (each under £10,000)	16,000	-
World Jewish Relief	-	75,000
The Commonwealth Jewish Council	-	1,000
The Movement for Reform Judaism	-	3,000
West London Synagogue of British Jews	-	2,500
United Synagogue	-	5,000
	<u>71,885</u>	<u>86,500</u>

9. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Auditor's remuneration	<u>11,875</u>	<u>7,185</u>

The average monthly number of employees during the year was Nil (2020 - Nil).

During the year, there were transactions with trustees, details of this are disclosed in Note 21.

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2020 - £Nil).

During the year ended 5 April 2021, trustee expenses of £120 were reimbursed to one trustee in respect of administrative expenses (2020 - £4,937).

THE MAURICE HATTER FOUNDATION CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

11. Investment property

	Investment property £
Valuation	
At 6 April 2020	3,100,000
At 5 April 2021	<u>3,100,000</u>

Investment property comprised a long leasehold property, which had an original cost of £2,998,466.

12. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Valuation			
At 6 April 2020	12,365,099	-	12,365,099
Additions	3,386,762	14,074,000	17,460,762
Disposals	(4,348,764)	-	(4,348,764)
Revaluations	1,830,178	303,000	2,133,178
Changes in cash balance	561,850	-	561,850
At 5 April 2021	<u>13,795,125</u>	<u>14,377,000</u>	<u>28,172,125</u>
Net book value			
At 5 April 2021	<u>13,795,125</u>	<u>14,377,000</u>	<u>28,172,125</u>
<i>At 5 April 2020</i>	<u>12,365,099</u>	<u>-</u>	<u>12,365,099</u>

THE MAURICE HATTER FOUNDATION CIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

13. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	262,233	246,489
Other debtors	18,852,158	138,862
Prepayments and accrued income	223,831	116,720
	<u>19,338,222</u>	<u>502,071</u>

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	84,442	29,939
Other taxation and social security	22,116	2,945
Other creditors	27,222	67,260
Accruals and deferred income	118,667	190,372
Accrued grants payable to institutions	1,432,471	1,576,674
	<u>1,684,918</u>	<u>1,867,190</u>

15. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Accrued grants payable to institutions	<u>1,301,710</u>	<u>-</u>

THE MAURICE HATTER FOUNDATION CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

16. Statement of funds

Statement of funds - current year

	Balance at 6 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2021 £
Unrestricted funds					
Unrestricted income fund	<u>20,870,398</u>	<u>33,385,013</u>	<u>(2,433,275)</u>	<u>1,849,537</u>	<u>53,671,673</u>

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2020 £
Unrestricted funds					
Unrestricted income fund	<u>20,299,818</u>	<u>4,179,276</u>	<u>(2,299,077)</u>	<u>(1,309,619)</u>	<u>20,870,398</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	28,172,125	28,172,125
Investment property	3,100,000	3,100,000
Current assets	25,386,176	25,386,176
Creditors due within one year	(1,684,918)	(1,684,918)
Creditors due in more than one year	(1,301,710)	(1,301,710)
Total	<u><u>53,671,673</u></u>	<u><u>53,671,673</u></u>

THE MAURICE HATTER FOUNDATION CIO

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment property	3,100,000	3,100,000
Fixed asset investments	12,365,099	12,365,099
Current assets	7,272,489	7,272,489
Creditors due within one year	(1,867,190)	(1,867,190)
Total	<u>20,870,398</u>	<u>20,870,398</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<u>32,801,275</u>	<u>570,580</u>
Adjustments for:		
Non-cash donations	(32,797,477)	-
Investment income	(587,536)	(823,026)
(Gain)/loss on investment	(2,285,368)	1,309,619
Increase in debtors	(112,675)	(225,048)
Increase in creditors	1,119,438	971,594
Net cash provided by/(used in) operating activities	<u>(1,862,343)</u>	<u>1,803,719</u>

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>6,047,954</u>	<u>6,770,418</u>
Total cash and cash equivalents	<u>6,047,954</u>	<u>6,770,418</u>

THE MAURICE HATTER FOUNDATION CIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

20. Analysis of changes in net debt

	At 6 April 2020 £	Cash flows £	At 5 April 2021 £
Cash at bank and in hand	6,770,418	(722,464)	6,047,954
	<u>6,770,418</u>	<u>(722,464)</u>	<u>6,047,954</u>

21. Related party transactions

During the year, legal fees of £42,822 (2020 - £58,463) were paid to Macfarlanes LLP of which Piers Barclay is a partner, and in respect of services provided by Mr Barclay, who is a trustee of the Foundation. These amounts are included in Governance costs in Note 6.

The Foundation also reimbursed Richard Hatter, a trustee of the Foundation, for expenditure totalling £120 (2020 - £4,937).

Richard Hatter is a governor of the University of Haifa. The Foundation made a grant of £1,179,823 in the year ended 5 April 2020. No grants were awarded in the current year.

22. Contingent liabilities

The trustees make non-binding commitments to charitable organisations to show their ongoing support for the activities they undertake. As outlined in Note 2.4, these commitments are not binding and as such are not recognised as liabilities. At 5 April 2021 these commitments totalled an undiscounted amount of £503,000.

23. Contingent assets

The trustees expect to receive a further legacy from the estate of Sir Maurice Hatter in the form of an investment portfolio. This asset is not capable of being reliably measured as at 5 April 2021 but is expected by the trustees to be around \$30m when it is confirmed.