

Heron Educational Foundation

Charity No. 1187969

Trustees' Report and Independently Examined Accounts

31 March 2021

**Heron Educational Foundation
Trustees Annual Report**

The Trustees present their report with the unaudited financial statements of the charity for the period ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No. 1187969

Principal Office

Hill Farm House
Sproatley Road
Flinton
East Riding of Yorkshire
HU11 4NE

Trustees

The following Trustees served during the year:

C. Brazier CBE
F.A. Caley
F.P.A. Dudley
M. Havler
D. Merrington Hoskins
M. Riley

Key Management Personnel

Chairperson	M Havler
Vice Chair	D Hoskins
Secretary	F Dudley
Treasurer	C Brazier CBE

Accountants

MPH Accountancy
Rear of 9a
Westgate
Pattrington
East Yorkshire
HU12 0NA

Bankers

National Westminster Bank plc
Willerby and Kirk Ella
The Square
Willerby
Hull
HU10 7UA

OBJECTIVES AND ACTIVITIES

Heron Educational Foundation

Trustees Annual Report

The Objects of the CIO are:

for the public benefit to provide assistance for the higher education by means of exhibitions, or financial assistance to enable beneficiaries to prepare for or enter a profession, trade or calling, otherwise promoting the education (including social and physical training) of boys and girls resident in the Parish of Humbleton. The principal way in which these are achieved is through the provision of grants to children of the parish as they reach key stages of education (entering Primary School, Secondary School and University). In addition, Trustees will consider applications from local schools for equipment or facilities that will benefit children from the parish.

We raise money to continue our work through rental income from our property in Humbleton as well as interest on our bank accounts.

ACHIEVEMENTS AND PERFORMANCE

Over the past year, we have given individual grants of £275 each to four young people to support their university studies.

Much of our work this year has been focussed on our construction project which will convert the Old School into three 2-bed dwellings, build two 3-bed dwellings and refurbish the Old School House. Once complete (estimated Apr/May 2022) this will give us six properties which will be let at affordable rates in accordance with our Allocations Policy – which prioritises local people and those who are occupying properties for the first time.

We have made considerable progress with the construction project this year with two key achievements being the issue of Planning Approval in February and the award of £39000 from the East Riding of Yorkshire Council's Community Housing Fund (ERYC CHF) to assist with pre-construction costs. As a result, we expect work to commence on site in August 2021.

FINANCIAL REVIEW

The Trust sold Heron's Farm, Flinton in 2019 for £550,000. In accordance with Charity Commission direction, this sum can only be used to purchase capital assets (such as buildings and land) or for investments – it cannot be spent on grants or maintenance/administration. To that end, we have allocated £425,000 to the dwellings element of the construction project and the remaining £125,000 to the Community Centre/Pavilion.

At the end of the year, we had £570,000 in our accounts (Net Worth minus Fixed Assets) and had already spent £26,000 on the Community Centre. We have already committed to spend £99,000 on the pre-construction element of the dwellings and currently forecast (based on our Quantity Surveyor's figures) that the construction costs will be approximately £835,000. We plan to achieve this amount with our original £425,000 plus £300,000 from another ERYC CHF grant and then use some of our remaining funds combined with a loan to reach the eventual total. Clearly we cannot know what the exact figure will be until the construction tender process is complete (July 2021).

Once the dwellings are complete, we will have them valued to update our Fixed Assets figure. The market value will be reduced by 20% because the ERYC CHF grant requires that they can only be rented or sold at 'affordable' rates (ie 80% of market value). On current plans we expect that the six dwellings will be worth approximately £800,000 – although we have no plans to sell any of them.

Once the dwellings are occupied, we anticipate our net rental income ('affordable' rates minus management charges) from all six properties being £26,500 pa. This will enable us to repay any loans that we have required and to increase our grant-giving in accordance with our plans above.

We have no formal Reserves Policy. We always intend to have no less than £25,000 in our accounts with a minimum of £5000 available immediately in case of urgent requirements (eg repairs). Should we need to reduce either of these figures, the Trustees will be asked to approve the reduction.

PLANS FOR FUTURE PERIODS

We expect the next 12 months to be taken up with overseeing the construction project which should be almost ready for occupation by the end of the Financial Year. Once occupied, we will begin to rebuild our financial reserves, repay any loans that will have been required and start to focus on Phase 2 of the project which will involve the building of a new Community Centre/Pavilion for the village close to the Trust's six dwellings.

The profit that we expect to generate from our new properties will also enable us to increase the amount that we provide to local children/young people to enable them to reach their full potential. As well as our current grants, we anticipate being able to provide more targeted (and potentially life-changing) amounts to support the transition from education and into employment. We expect that these might include university fees, apprenticeships, professional qualifications (eg HGV, AAT), tool purchases and business start-ups.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Heron Educational Foundation is a registered charitable incorporated organisation (CIO - 1187969) and is constituted under a Foundation model constitution dated 14 February 2020. The Trust was originally established in 1718 by the will of Francis Heron to provide assistance for the higher education of children living in the parish of Humbleton.

The constitution allows for a minimum of 3 and a maximum of 9 Trustees. A quorum is achieved when 50% (rounded up) are in attendance. There is no restriction on residency or profession of Trustees although it is normal for all Trustees to have some connection (through residency or family) to Humbleton or the surrounding parishes.

We hold Trust meetings every month and have added a Construction Project meeting 2 weeks after the Trust meeting to deal with the many issues that arise as we work through the various process to finance, specify and oversee the project. We have appointed a Project Sub-Committee (consisting of the Chair, Secretary and Treasurer) to deal with day-to-day matters. The Sub-Committee is authorised to spend up to £10,000 without reverting to the full Trust meeting for approval.

Statement of trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the charity's trustees



F Dudley - Secretary
18th August 2021

Heron Educational Foundation
Independent Examiners Report

Independent Examiner's Report to the trustees of Heron Educational Foundation

I report to the trustees on my examination of the accounts of Heron Educational Foundation for the period ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011('the Act'). The trustees consider that an audit is not required for this year under the Charities Act 2011, s.144(2) (the 2011 Act) and that an independent examination is needed.

I report in respect of my examination of the charity's accounts 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 can 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:

- the accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts did 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.



Shannon Smith
MATT ACCA
MPH Accountancy
Rear of 9a
Westgate
Patrington
East Yorkshire
HU12 0NA
18th August 2021

Heron Educational Foundation**Statement of Financial Activities****for the period ended 31 March 2021**

		Unrestricted funds 2021 £	Total funds 2021 £
	Notes		
Income and endowments from:			
Charitable activities	2	2	2
Other trading activities	3	200	200
Investments	4	4,452	4,452
Other	5	45,600	45,600
Total		50,254	50,254
Expenditure on:			
Other	6	43,811	43,811
Total		43,811	43,811
Net gains on investments		683	683
Net income		7,126	7,126
Transfers between funds		802,959	802,959
Net income before other gains/(losses)		810,085	810,085
Other gains and losses			
Net movement in funds		810,085	810,085
Reconciliation of funds:			
Total funds carried forward		810,085	810,085

Heron Educational Foundation**Balance Sheet**

at 31 March 2021

Charity No. 1187969

2021**£****Fixed assets**

Tangible assets	8	244,678
Investments	9	4,026
		<u>248,704</u>

Current assets

Stocks	10	100
Cash at bank and in hand		567,281
		<u>567,381</u>

Creditors: Amount falling due within one year 11 (6,000)**Net current assets** 561,381**Total assets less current liabilities** 810,085**Net assets excluding pension asset or liability** 810,085**Total net assets** 810,085**The funds of the charity****Restricted funds** 12**Unrestricted funds** 12

General funds	809,402
	<u>809,402</u>

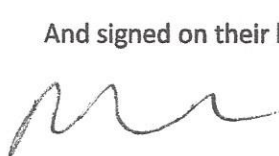
Reserves 12

Revaluation reserve	683
	<u>683</u>

Total funds 810,085

Approved by the trustees on 18th August 2021

And signed on their behalf by:



M Havler - Chairman



C Brazier CBE - Treasurer

Heron Educational Foundation

Notes to the Accounts

for the period ended 31 March 2021

1 Accounting policies

Basis of preparation

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

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
Volunteer help	The value of any volunteer help received is not included in the accounts.
Investment income	This is included in the accounts when receivable.
Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.

Heron Educational Foundation
Notes to the Accounts

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from tax on its charitable activities.

Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Heron Educational Foundation
Notes to the Accounts

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period. Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred.

All exchange differences are taken into account in arriving at net income/expenditure.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Income from charitable activities

	Unrestricted	Total
		2021
	£	£
YEDL Wayleave	2	2
	<u>2</u>	<u>2</u>

Heron Educational Foundation
Notes to the Accounts

3 Income from other trading activities

	Unrestricted	Total
	2021	
	£	£
Humbleton Recreation Club	200	200
	<u>200</u>	<u>200</u>

4 Income from investments

	Unrestricted	Total
	2021	
	£	£
COIF Dividend	89	89
Bank Interest Received	4,363	4,363
	<u>4,452</u>	<u>4,452</u>

5 Other income

	Unrestricted	Total
	2021	
	£	£
School House Rent	5,668	5,668
Sundry Income	100	100
Grants	39,832	39,832
	<u>45,600</u>	<u>45,600</u>

6 Other expenditure

	Unrestricted	Total
	2021	
	£	£
Awards and Grants	1,100	1,100
Premises costs	1,039	1,039
General administrative costs	306	306
Legal and professional costs	41,366	41,366
	<u>43,811</u>	<u>43,811</u>

7 Staff costs

No employee received emoluments in excess of £60,000.

8 Tangible fixed assets

	£	£
Cost or revaluation		
Additions	244,678	244,678
At 31 March 2021	<u>244,678</u>	<u>244,678</u>
Net book values		
At 31 March 2021	<u>244,678</u>	<u>244,678</u>

Heron Educational Foundation
Notes to the Accounts

9 Investments

	Other investments - Unlisted £	Total £
Cost or revaluation		
Additions	3,343	3,343
Revaluation	683	683
At 31 March 2021	<u>4,026</u>	<u>4,026</u>
Net book values		
At 31 March 2021	<u>4,026</u>	<u>4,026</u>

10 Stocks

	2021 £
Stock	100
	<u>100</u>

11 Creditors:

amounts falling due within one year

	2021 £
Accruals and deferred income	6,000
	<u>6,000</u>

12 Movement in funds

	Incoming resources (including other gains/losses) £	Resources expended £	Gross transfers £	At 31 March 2021 £
Restricted funds:				
Unrestricted funds:				
General funds	50,254	(43,811)	802,959	809,402
Revaluation Reserves:				
Revaluation fund	683			683
<i>Total revaluation reserves</i>	<u>683</u>			<u>683</u>
Total funds	<u>50,937</u>	<u>(43,811)</u>	<u>802,959</u>	<u>810,085</u>

Purposes and restrictions in relation to the funds:

Revaluation reserves Represent the amount by which investments exceed their historical cost.

Heron Educational Foundation
Notes to the Accounts

13 Analysis of net assets between funds

	Unrestricted funds	Total
	£	£
Fixed assets	244,678	244,678
Investments	4,026	4,026
Net current assets	561,381	561,381
	<u>810,085</u>	<u>810,085</u>

14 Reconciliation of net (debt)/asset

	Cash flows	At 31 March 2021
	£	£
Cash and cash equivalents	567,281	567,281
	<u>567,281</u>	<u>567,281</u>
Net (debt)/asset	<u>567,281</u>	<u>567,281</u>

Heron Educational Foundation
Detailed Statement of Financial Activities
for the period ended 31 March 2021

	Unrestricted funds 2021 £	Total funds 2021 £
Income and endowments from:		
Charitable activities		
YEDL Wayleave	2	2
	<u>2</u>	<u>2</u>
Other trading activities		
Humbleton Recreation Club	200	200
	<u>200</u>	<u>200</u>
Investments		
COIF Dividend	89	89
Bank Interest Received	4,363	4,363
	<u>4,452</u>	<u>4,452</u>
Other		
School House Rent	5,668	5,668
Sundry Income	100	100
Grants	39,832	39,832
	<u>45,600</u>	<u>45,600</u>
Total income and endowments	50,254	50,254
Expenditure on:		
Other expenditure		
Awards and Grants	1,100	1,100
	<u>1,100</u>	<u>1,100</u>
Premises costs		
Rates	(475)	(475)
Premises repairs and maintenance	1,091	1,091
Other premises costs	423	423
	<u>1,039</u>	<u>1,039</u>
General administrative costs, including depreciation and amortisation		
Stationery, printing and general administration	306	306
	<u>306</u>	<u>306</u>
Legal and professional costs		
Audit/Independent examination fees	200	200
Management charges	729	729
Professional fees - construction project	38,031	38,031
Other legal and professional costs	2,406	2,406
	<u>41,366</u>	<u>41,366</u>

Heron Educational Foundation
Detailed Statement of Financial Activities

Total of expenditure of other costs	<u>43,811</u>	<u>43,811</u>
Total expenditure	<u>43,811</u>	<u>43,811</u>
Net gains on investments	<u>683</u>	<u>683</u>
Net income	<u>7,126</u>	<u>7,126</u>
Transfers between funds	<u>802,959</u>	<u>802,959</u>
Net income before other gains/(losses)	<u>810,085</u>	<u>810,085</u>
Other Gains	<u>-</u>	<u>-</u>
Net movement in funds	<u>810,085</u>	<u>810,085</u>
Reconciliation of funds:		
Total funds brought forward	<u>-</u>	<u>-</u>
Total funds carried forward	<u>810,085</u>	<u>810,085</u>