

Heichal Hatorah Foundation
Unaudited Financial Statements
5 April 2021

M SEITLER & CO

Accountants
4 The Cottages
Deva Centre
Trinity Way
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Heichal Hatorah Foundation

Financial Statements

Year ended 5 April 2021

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	6
Statement of financial activities	7
Statement of financial position	8
Notes to the financial statements	9

Heichal Hatorah Foundation

Trustees' Annual Report

Year ended 5 April 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 5 April 2021.

Reference and administrative details

Registered charity name Heichal Hatorah Foundation

Charity registration number 283498

Principal office 2nd Floor Parkgates
Bury New Road
Prestwich
M25 0TL

The trustees

A L Haffner
S Rabinowitz

Independent examiner M Seitler & Co
4 The Cottages
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Heichal Hatorah Foundation

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Structure, governance and management

Heichal Hatorah Foundation is constituted under a trust deed dated 28 September 1981. It is a registered charity number 283498.

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 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.

It is not currently the intention of the trustees of the charity to appoint new trustees. Should the situation change in the future, the Trustees will apply suitable recruitment training and induction procedures.

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.

Heichal Hatorah Foundation

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Objectives and activities

The objects of the charity are

Such charitable purposes as the trustees may from time to time in their absolute discretion think fit and in particular but without prejudice to the generality of the foregoing for the support, aid and expansion and development of the Talmudical College in Jerusalem, Israel known as Yeshivat Heichal Hatorah.

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 is funded by donations and investments. The charity gives out grants in line with the above objects.

Grants made during the year to institutions are as detailed in the accounts.

The application of the funds by way of grants 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.

Heichal Hatorah Foundation

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Achievements and performance

The charity received £365,477 in donations and £75,302 as income from its investments during the year.

During the year the charity ran a successful online fundraising campaign. This is reflected in the increased donations received during the year.

The charity paid out £213,931 by way of grants and support costs. These grants were made in line with the stated objects of the charity. The grants are for educational purposes to fund the Yeshiva and Kollel in Israel.

The charity has low governance costs comprising professional fees. All other office costs were borne by the trustees and have not been charged to the charity.

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

There were no related party transactions in the reporting period.

Fundraising costs in the reporting period are as disclosed in the notes to the accounts.

There was net income and net movement in funds for the year amounting to £226,848.

Heichal Hatorah Foundation

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Financial review

The trustees feel that the activity during the year reflects the profile and standing within the local community. 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.

Reserves policy

There is no formal policy to maintain a set level of reserves as the charity's main aim is to distribute all available income to the Heichal Hatorah Yeshiva as and when it is required, otherwise reserves are held on deposit until they are needed or invested in suitable property investments.

The trustees are confident that sufficient reserves will be generated to achieve the objects of the charity.

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.

In considering the financial obligations of the charity, the trustees have resolved to maintain a minimum reserve.

The free reserves, being the net current assets of the charity, amounted to £484,435, all of which are unrestricted.

Investment performance

The investments of the charity have provided a net return of 11% in the year.

The trustees consider this acceptable when compared with returns available on deposits in any of the banking institutions.

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

Coronavirus

The charity has not been impacted by the coronavirus pandemic.

The trustees' annual report was approved on 4 February 2022 and signed on behalf of the board of trustees by:

A L Haffner

Trustee

Heichal Hatorah Foundation

Independent Examiner's Report to the Trustees of Heichal Hatorah Foundation

Year ended 5 April 2021

I report to the trustees on my examination of the financial statements of Heichal Hatorah Foundation ('the charity') for the year ended 5 April 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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.

M Seitler & Co
Independent Examiner

4 The Cottages
Deva Centre
Trinity Way
Manchester
M3 7BE

4 February 2022

Heichal Hatorah Foundation

Statement of Financial Activities

Year ended 5 April 2021

		2021		2020
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	365,477	365,477	212,033
Investment income	5	75,302	75,302	60,609
Total income		<u>440,779</u>	<u>440,779</u>	<u>272,642</u>
Expenditure				
Expenditure on raising funds:				
Costs of fundraising activities	6	7,698	7,698	–
Investment management costs	7	4,912	4,912	10,360
Expenditure on charitable activities	8,9	201,321	201,321	299,969
Total expenditure		<u>213,931</u>	<u>213,931</u>	<u>310,329</u>
Net income/(expenditure) and net movement in funds		<u>226,848</u>	<u>226,848</u>	<u>(37,687)</u>
Reconciliation of funds				
Total funds brought forward		910,103	910,103	947,790
Total funds carried forward		<u>1,136,951</u>	<u>1,136,951</u>	<u>910,103</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 9 to 15 form part of these financial statements.

Heichal Hatorah Foundation

Statement of Financial Position

5 April 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	15	652,516	652,516
Current assets			
Debtors	16	1,983	2,542
Cash at bank and in hand		484,612	256,125
		<u>486,595</u>	<u>258,667</u>
Creditors: amounts falling due within one year	17	<u>2,160</u>	<u>1,080</u>
Net current assets		<u>484,435</u>	<u>257,587</u>
Total assets less current liabilities		<u>1,136,951</u>	<u>910,103</u>
Net assets		<u><u>1,136,951</u></u>	<u><u>910,103</u></u>
Funds of the charity			
Unrestricted funds		<u>1,136,951</u>	<u>910,103</u>
Total charity funds	18	<u><u>1,136,951</u></u>	<u><u>910,103</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 4 February 2022, and are signed on behalf of the board by:

A L Haffner
Trustee

The notes on pages 9 to 15 form part of these financial statements.

Heichal Hatorah Foundation

Notes to the Financial Statements

Year ended 5 April 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 2nd Floor Parkgates, Bury New Road, Prestwich, M25 0TL.

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.

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.

Heichal Hatorah Foundation

Notes to the Financial Statements *(continued)*

Year ended 5 April 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.

Heichal Hatorah Foundation

Notes to the Financial Statements *(continued)*

Year ended 5 April 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.

Heichal Hatorah Foundation

Notes to the Financial Statements *(continued)*

Year ended 5 April 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	365,477	365,477	212,033	212,033

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	75,302	75,302	60,609	60,609

6. Costs of fundraising activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Sundry fundraising expenses	7,698	7,698	—	—

7. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Rent collection	4,912	4,912	10,360	10,360

Heichal Hatorah Foundation

Notes to the Financial Statements (continued)

Year ended 5 April 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Charitable Grants	200,000	200,000	297,899	297,899
Support costs	1,321	1,321	2,070	2,070
	<u>201,321</u>	<u>201,321</u>	<u>299,969</u>	<u>299,969</u>

9. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable Grants	200,000	242	200,242	298,979
Governance costs	–	1,079	1,079	990
	<u>200,000</u>	<u>1,321</u>	<u>201,321</u>	<u>299,969</u>

10. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
General office	242	242	1,080
Governance costs	1,079	1,079	990
	<u>1,321</u>	<u>1,321</u>	<u>2,070</u>

11. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Heichal Hatorah Israel	200,000	297,899
Total grants	<u>200,000</u>	<u>297,899</u>

12. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,080</u>	<u>1,080</u>

13. Staff costs

The average head count of employees during the year was Nil (2020: Nil).

Heichal Hatorah Foundation

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

13. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

14. Trustee remuneration and expenses

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

15. Investments

	Investment properties £
Cost or valuation At 6 April 2020 and 5 April 2021	652,516
Impairment At 6 April 2020 and 5 April 2021	
Carrying amount At 5 April 2021	652,516
At 5 April 2020	652,516

All investments shown above are held at valuation.

Investment properties

The trustees have considered the fair value of the wholly owned investment properties of the charity at the year end. They are of the opinion that the stated value in the financial statements is also the fair value. The assumptions applied for brought forward properties are based on yields and other market factors, and a cost basis for any additions in the year.

16. Debtors

	2021 £	2020 £
Other debtors	1,983	2,542

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	2,160	1,080

Heichal Hatorah Foundation

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

18. Analysis of charitable funds

Unrestricted funds

	At 06 Apr 2020 £	Income £	Expenditure £	At 05 Apr 2021 £
General funds	<u>910,103</u>	<u>440,779</u>	<u>(213,931)</u>	<u>1,136,951</u>
	At 06 Apr 2019 £	Income £	Expenditure £	At 05 Apr 2020 £
General funds	<u>947,790</u>	<u>272,642</u>	<u>(310,329)</u>	<u>910,103</u>

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Investments	652,516	652,516
Current assets	486,595	486,595
Creditors less than 1 year	<u>(2,160)</u>	<u>(2,160)</u>
Net assets	<u>1,136,951</u>	<u>1,136,951</u>
	Unrestricted Funds £	Total Funds 2020 £
Investments	652,516	652,516
Current assets	258,667	258,667
Creditors less than 1 year	<u>(1,080)</u>	<u>(1,080)</u>
Net assets	<u>910,103</u>	<u>910,103</u>

20. Taxation

Heichal Hatorah Foundation 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.