

The Shaarei Torah Trust
Unaudited Financial Statements
31 August 2021

HAFFNER HOFF LTD

Accountants
2nd Floor - Parkgates
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The Shaarei Torah Trust

Financial Statements

Year ended 31 August 2021

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The Shaarei Torah Trust

Trustees' Annual Report

Year ended 31 August 2021

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

Reference and administrative details

Registered charity name The Shaarei Torah Trust

Charity registration number 326442

Principal office 38-40 Upper Park Road
Salford
M7 4GZ

The trustees

Rabbi G Knopfler
J S Knopfler
G Rechnitzer

Independent examiner Mr Howard Schwalbe ACA
2nd Floor - Parkgates
Bury New Road
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The Shaarei Torah Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Structure, governance and management

The Shaarei Torah Trust is constituted under a trust deed dated 13 October 1983. It is a registered charity with a charity number being 326442.

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

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

Trustee Education and Training

New trustees undergo an orientation day to brief them on their legal obligations under the Charities Act, the committee and decision making processes, the business plan and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

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 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.

Risk management

The Trustees are responsible for the management of the risks faced by the Charity. A formal review of the charity's risk management processes is undertaken on an annual basis.

The key controls used by the charity include:

- o Comprehensive strategic planning and budgeting;
- o Established organisational structure and lines of reporting;
- o Clear authorisation and approval levels.

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Shaarei Torah Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Objectives and activities

The objects of the charity are:-

1. To promote Jewish education;
2. The relief of poverty.

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. The charity pays out grants in line with the above objects.

There were no grants paid to individuals during the year.

The charity has established its grant making policy to achieve its objects for the public benefit. The charity invites applications for funding of Jewish Talmudical education that the trustees feel are appropriate for the charities objects.

The application of the funds by way of grants is to institutions. The aim is to provide support for the Shaarei Torah Talmudical College.

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.

Achievements and performance

The charity received £987,256 in donations during the year.

The charity has governance costs comprising professional fees.

All other office costs are borne by the Talmudical college that this charity supports.

The charity paid out £897,695 by way of grants and support costs that are in line with the objects of the charity. Grants over £1,000 made during the year to institutions are as detailed in the accounts.

There were no fundraising costs during the year.

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

There was an overall net income and net movement in funds for the year amounting to £89,561.

The Shaarei Torah Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Financial review

Reserves policy

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

The Trustees are satisfied that the balance of the Fund is an acceptable level of reserves given the nature of revenue receipts against grants payable.

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

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

The free reserves, represented by the net current assets of the charity stand at £266,222, all of which are unrestricted.

Coronavirus

There was significant impact of coronavirus on the charity during the year with reference to the ability to fundraise. To alleviate the situation, the charity ran a successful online crowdfunding campaign in March 2021 which brought in significant income as is reflected in this year's improved financial position.

We look forward to a time when things will return to normal or at least as normal as possible once again.

True and fair override

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charities governing document, The Charities Act 2011 and the relevant version of 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).

The trustees' annual report was approved on 28 March 2022 and signed on behalf of the board of trustees by:

G Rechnitzer

Trustee

The Shaarei Torah Trust

Independent Examiner's Report to the Trustees of The Shaarei Torah Trust

Year ended 31 August 2021

I report to the trustees on my examination of the financial statements of The Shaarei Torah Trust ('the charity') for the year ended 31 August 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.

Mr Howard Schwalbe ACA

Independent Examiner

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

28 March 2022

The Shaarei Torah Trust

Statement of Financial Activities

Year ended 31 August 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	987,256	987,256	341,349
Investment income	5	—	—	183
Total income		<u>987,256</u>	<u>987,256</u>	<u>341,532</u>
Expenditure				
Expenditure on charitable activities	6,7	<u>897,695</u>	<u>897,695</u>	<u>572,499</u>
Total expenditure		<u>897,695</u>	<u>897,695</u>	<u>572,499</u>
Net income/(expenditure) and net movement in funds		<u>89,561</u>	<u>89,561</u>	<u>(230,967)</u>
Reconciliation of funds				
Total funds brought forward		<u>161,608</u>	<u>161,608</u>	<u>392,575</u>
Total funds carried forward		<u>251,169</u>	<u>251,169</u>	<u>161,608</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 16 form part of these financial statements.

The Shaarei Torah Trust

Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	14	23,280	23,367
Current assets			
Debtors	15	4,080	8,558
Cash at bank and in hand		273,582	180,404
		<u>277,662</u>	<u>188,962</u>
Creditors: amounts falling due within one year	16	<u>11,440</u>	<u>10,721</u>
Net current assets		<u>266,222</u>	<u>178,241</u>
Total assets less current liabilities		289,502	201,608
Creditors: amounts falling due after more than one year	17	<u>38,333</u>	<u>40,000</u>
Net assets		<u>251,169</u>	<u>161,608</u>
Funds of the charity			
Unrestricted funds		<u>251,169</u>	<u>161,608</u>
Total charity funds	18	<u>251,169</u>	<u>161,608</u>

These financial statements were approved by the board of trustees and authorised for issue on 28 March 2022, and are signed on behalf of the board by:

G Rechnitzer
Trustee

The notes on pages 9 to 16 form part of these financial statements.

The Shaarei Torah Trust

Statement of Cash Flows

Year ended 31 August 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net income/(expenditure)	89,561	(230,967)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	87	116
Other interest receivable and similar income	–	(183)
Interest payable and similar charges	108	–
Accrued expenses/(income)	720	(3,600)
<i>Changes in:</i>		
Trade and other debtors	4,478	(6,904)
Cash generated from operations	94,954	(241,538)
Interest paid	(108)	–
Interest received	–	183
Net cash from/(used in) operating activities	<u>94,846</u>	<u>(241,355)</u>
Cash flows from financing activities		
Proceeds from borrowings	(1,668)	50,001
Net cash (used in)/from financing activities	<u>(1,668)</u>	<u>50,001</u>
Net increase/(decrease) in cash and cash equivalents	93,178	(191,354)
Cash and cash equivalents at beginning of year	180,404	371,758
Cash and cash equivalents at end of year	<u>273,582</u>	<u>180,404</u>

The notes on pages 9 to 16 form part of these financial statements.

The Shaarei Torah Trust

Notes to the Financial Statements

Year ended 31 August 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 16 New Hall Avenue, Salford, M7 4HR.

2. Statement of compliance

The accounts (financial statements) have been prepared in accordance with the relevant version of 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) and The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and 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 relevant version of 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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. It is therefore appropriate to prepare these accounts on a going concern basis.

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.

The Shaarei Torah Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 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.

The Shaarei Torah Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

The Torah Scrolls are not depreciated as they have a life longer than 50 years and any depreciation is negligible each year. They are kept in a fire proof safe and are well preserved.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 25% reducing balance

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.

The Shaarei Torah Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

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	987,256	987,256	341,349	341,349

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	—	—	183	183

The Shaarei Torah Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Grants to Shaarei Torah Talmudical College	895,088	895,088	571,116	571,116
Support costs	2,607	2,607	1,383	1,383
	<u>897,695</u>	<u>897,695</u>	<u>572,499</u>	<u>572,499</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Grants to Shaarei Torah Talmudical College	26,888	868,200	1,887	896,975	571,778
Governance costs	–	–	720	720	721
	<u>26,888</u>	<u>868,200</u>	<u>2,607</u>	<u>897,695</u>	<u>572,499</u>

8. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
General office	1,887	1,887	662
Governance costs	720	720	720
	<u>2,607</u>	<u>2,607</u>	<u>1,382</u>

9. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Shaarei Torah	868,200	571,000
Total grants	<u>868,200</u>	<u>571,000</u>

10. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>87</u>	<u>116</u>

The Shaarei Torah Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

11. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	720	720

12. Staff costs

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

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

13. Trustee remuneration and expenses

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

14. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 September 2020 and 31 August 2021	41,739	23,020	64,759
Depreciation			
At 1 September 2020	41,392	–	41,392
Charge for the year	87	–	87
At 31 August 2021	41,479	–	41,479
Carrying amount			
At 31 August 2021	260	23,020	23,280
At 31 August 2020	347	23,020	23,367

15. Debtors

	2021	2020
	£	£
Other debtors	4,080	8,558

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	10,000	10,001
Accruals and deferred income	1,440	720
	11,440	10,721

The Shaarei Torah Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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

	2021	2020
	£	£
Bank loans and overdrafts	<u>38,333</u>	<u>40,000</u>

18. Analysis of charitable funds

Unrestricted funds

	At 01 Sept 2020 £	Income £	Expenditure £	At 31 Aug 2021 £
General funds	<u>161,608</u>	<u>987,256</u>	<u>(897,695)</u>	<u>251,169</u>

	At 01 Sept 2019 £	Income £	Expenditure £	At 31 Aug 2020 £
General funds	<u>392,575</u>	<u>341,532</u>	<u>(572,499)</u>	<u>161,608</u>

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	23,280	23,280
Current assets	277,662	277,662
Creditors less than 1 year	(11,440)	(11,440)
Creditors greater than 1 year	<u>(38,333)</u>	<u>(38,333)</u>
Net assets	<u>251,169</u>	<u>251,169</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	23,367	23,367
Current assets	188,962	188,962
Creditors less than 1 year	(10,721)	(10,721)
Creditors greater than 1 year	<u>(40,000)</u>	<u>(40,000)</u>
Net assets	<u>161,608</u>	<u>161,608</u>

The Shaarei Torah Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

20. Analysis of changes in net debt

	At 1 Sep 2020 £	Cash flows £	At 31 Aug 2021 £
Cash at bank and in hand	180,404	93,178	273,582
Debt due within one year	(10,001)	1	(10,000)
Debt due after one year	(40,000)	1,667	(38,333)
	<u>130,403</u>	<u>94,846</u>	<u>225,249</u>

21. Taxation

The Shaarei Torah Trust 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.