

REGISTERED CHARITY NUMBER: 328435

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020**

FOR

THE SCHAPIRA CHARITABLE TRUST

Melinek Fine LLP
Chartered Accountants
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

THE SCHAPIRA CHARITABLE TRUST
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FOR THE YEAR ENDED 31 DECEMBER 2020

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THE SCHAPIRA CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Schapira Charitable Trust was created by a deed dated 17 November 1989 between Isaac Yehuda Schapira (the settlor) and Martin David Paisner, Henry Frydenson and Isaac Yehuda Schapira (the Trustees).

The Trust has been registered as a charity with the Charity Commission (registration number 328435).

The Trustees have power to raise the whole or any part or parts of the capital of the Trust fund and pay, distribute or apply the same for such charitable purposes in the United Kingdom in such shares as the Trustees shall in their absolute discretion determine.

The Trust aims to award grants to support religious institutions of the Jewish Faith as well as other institutions from the fields of Health and Education generally. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

Public benefit

The Trustees have given due consideration to the Charity Commission's published guidance on public benefit and confirm that the Charity is a public benefit entity under FRS SORP 102.

Grantmaking

The Trustees to date have had a policy of supporting religious institutions of the Jewish faith and continue to do so. However, the Trustees do receive applications from a wider source and will favourably consider applications from the fields of Health and Education generally.

FINANCIAL REVIEW

Financial review

The Trust earned net investment income during the year totalling £75,726 (2019:£88,653). The Trust has made charitable donations during the year amounting to £456,260 (2019:£10,000) to religious institutions of the Jewish faith and organisations from the fields of Health and Education.

Although the Trustees intend to hold a diversified investment portfolio in the future, with a view to maintaining the capital value of the investment portfolio and paying out the net incoming resources for the year by way of grants and donations payable in accordance with the aims of the Trust, given the state of the economy the Trustees have decided it more prudent in the interim to hold funds on cash deposit excluding the loan debtor. At the date of approval of these accounts the Trustees continue to seek advice on the strategy to be pursued in the future, to build upon their extremely successful activities in the past.

Reserves policy

The Accumulation Period as set out in the Trust Deed whereby the Trustees were allowed to accumulate all or any part of the income of the Trust fund came to an end on 17 November 2010.

The Trustees have however held their reserves on the basis that the charity's incoming resources each year are spent in that year with a small amount of capital being used to meet the level of grants agreed by the Trustees for that year. The Trustees continue to follow this policy to ensure longevity in the Trust's objective and commitment in their charitable aims.

The expendable endowment fund on 31 December 2020 is £1,822,955 (2019 :£2,085,022).

The Trust will continue to use donations received to make grants and donations in accordance with its objectives and also will continue to apply cash generated from investment income for the charitable purposes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

THE SCHAPIRA CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Trustees are appointed by the Settlor. Once appointed, any necessary training for trustees are identified by the trustees and appropriate training is organised. The Trustees meet as necessary to discuss and agree grant applications, to monitor the investment performance and deal with the administration matters of the Trust.

Trustees during the year were:

I Y Schapira
S L Schapira
A Friedlander

Risk management

The Trustees are responsible for the management and control of the Trust and are therefore included in key aspects of the risk management process, particularly in setting parameters of the process, review and consideration of results. The Trustees identify, consider and monitor the evaluation of risks from both internal and external factors at the Trustee meetings. The Trustees consider the control systems in place to manage risks to be adequate.

The Trustees have continued to examine the major strategic, business and operation risks which the charity faces and consider there are limited risks. This is because the charity's current investment policy is to invest in assets which the Trustees believe have low risk. The low risk approach continues to enable the Trust to award grants in accordance with its charitable objectives.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
328435

Principal address

First Floor
Winston House
349 Regents Park Road
London
N3 1DH

Trustees

Mr I Y Schapira
Mrs S L Schapira
A Friedlander (appointed 31.7.20)

Independent Examiner

Melinek Fine LLP
Chartered Accountants
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

Solicitors

Maurice Turnor Gardner LLP
15th Floor Milton House
Milton Street
London
EC2Y 9BH

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

THE SCHAPIRA CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Approved by order of the board of trustees on 25/10/2021 and signed on its behalf by:


.....
Mr I Y Schapira - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE SCHAPIRA CHARITABLE TRUST**

Independent examiner's report to the trustees of The Schapira Charitable Trust

I report to the charity trustees on my examination of the accounts of The Schapira Charitable Trust (the Trust) for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants England and Wales 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.



Aryeh Melinek, FCA
Institute of Chartered Accountants England and Wales
Melinek Fine LLP
Chartered Accountants
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

Date: 28/10/2021

THE SCHAPIRA CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | Unrestricted fund £ | Endowment fund £ | 2020 Total funds £ | 2019 Total funds £ |
|------------------------------------|-------|---------------------------|------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 187,000 | - | 187,000 | 5,400 |
| Investment income | 3 | 75,726 | - | 75,726 | 88,653 |
| Total | | 262,726 | - | 262,726 | 94,053 |
| EXPENDITURE ON | | | | | |
| Raising funds | 4 | 617 | - | 617 | 577 |
| Charitable activities | | | | | |
| Charitable activities | 5 | 456,260 | - | 456,260 | 10,000 |
| Other | 8 | 67,916 | - | 67,916 | 14,700 |
| Total | | 524,793 | - | 524,793 | 25,277 |
| NET INCOME/(EXPENDITURE) | | (262,067) | - | (262,067) | 68,776 |
| Transfers between funds | 13 | 262,067 | (262,067) | - | - |
| Net movement in funds | | - | (262,067) | (262,067) | 68,776 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | - | 2,085,022 | 2,085,022 | 2,016,246 |
| TOTAL FUNDS CARRIED FORWARD | | - | 1,822,955 | 1,822,955 | 2,085,022 |

The notes form part of these financial statements

THE SCHAPIRA CHARITABLE TRUST

BALANCE SHEET
31 DECEMBER 2020

| | Notes | Unrestricted fund £ | Endowment fund £ | 2020 Total funds £ | 2019 Total funds £ |
|--|-------|------------------------|---------------------|--------------------------|--------------------------|
| CURRENT ASSETS | | | | | |
| Debtors | 11 | - | 1,817,085 | 1,817,085 | 2,108,369 |
| Cash at bank | | - | 14,870 | 14,870 | 353 |
| | | - | 1,831,955 | 1,831,955 | 2,108,722 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 12 | - | (9,000) | (9,000) | (23,700) |
| NET CURRENT ASSETS | | - | 1,822,955 | 1,822,955 | 2,085,022 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | - | 1,822,955 | 1,822,955 | 2,085,022 |
| NET ASSETS/(LIABILITIES) | | - | 1,822,955 | 1,822,955 | 2,085,022 |
| FUNDS | | | | | |
| Endowment funds | 13 | | | 1,822,955 | 2,085,022 |
| TOTAL FUNDS | | | | 1,822,955 | 2,085,022 |

The financial statements were approved by the Board of Trustees and authorised for issue on 25/10/2021 and were signed on its behalf by:

25/10/2021

Mr I Y Schapira - Trustee

THE SCHAPIRA CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the 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 and UK Generally Accepted Practice as it applies from 1 January 2015.

The 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 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The entity is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Going concern

The trustees recognise the economic and trading uncertainties resulting from the evolving coronavirus pandemic. The trustees have therefore prepared revised cash flow forecasts for the next 12 months which indicate the charity has sufficient available cash flow to continue operations for the foreseeable future. As part of their consideration they have assessed the impact of coronavirus pandemic on the charity operations.

The long-term economic impact of the pandemic on this charity and the wider UK economy are uncertain, the charity may in the worst case scenario need to secure financial support from the trustees and make use of certain government schemes available to charities during the pandemic. On this basis the trustees have concluded that it is appropriate to adopt the going concern basis in preparing the annual report and financial statements.

THE SCHAPIRA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. DONATIONS AND LEGACIES

| | 2020 | 2019 |
|-----------|----------------|-------|
| | £ | £ |
| Donations | 187,000 | 5,400 |

3. INVESTMENT INCOME

| | 2020 | 2019 |
|--------------------------|---------------|--------|
| | £ | £ |
| Deposit account interest | 10 | 5 |
| Loan interest receivable | 75,716 | 88,648 |
| | 75,726 | 88,653 |

4. RAISING FUNDS

Investment management costs

| | 2020 | 2019 |
|---------------|------------|------|
| | £ | £ |
| Support costs | 617 | 577 |

5. CHARITABLE ACTIVITIES COSTS

| | | |
|-----------------------|--|---|
| Charitable activities | | Grant funding of activities (see note 6) £ 456,260 |
|-----------------------|--|---|

6. GRANTS PAYABLE

| | 2020 | 2019 |
|-----------------------|----------------|--------|
| | £ | £ |
| Charitable activities | 456,260 | 10,000 |

The total grants paid to institutions during the year was as follows:

| | 2020 | 2019 |
|--|----------------|--------|
| | £ | £ |
| British Friends of Chazon Ish Institution | 18,000 | - |
| British Friends of the Rabbi Meir Baal Hanes (KSH) | 242,000 | - |
| Chevras Mo'oz Ladol | 18,760 | - |
| Mercaz Hatorah Vechedes Limited | 70,000 | - |
| Slabodka Yeshiva Trust | 14,000 | - |
| The Friends of Yeshivas Brisk | - | 10,000 |
| Friends of Gur Foundation | 93,000 | - |
| Other donations (<£5,000 in aggregate for each) | 500 | - |
| | 456,260 | 10,000 |

THE SCHAPIRA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

7. SUPPORT COSTS

| | Finance £ | Governance costs £ | Totals £ |
|-----------------------------|--------------|--------------------------|---------------|
| Investment management costs | 617 | - | 617 |
| Other resources expended | - | 67,916 | 67,916 |
| | <u>617</u> | <u>67,916</u> | <u>68,533</u> |

8. OTHER

| | 2020 £ | 2019 £ |
|---------------|---------------|---------------|
| Support costs | <u>67,916</u> | <u>14,700</u> |

Other resources expended include £2,400 (2019: £nil) fees payable to the Independent examiner.

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Endowment fund £ | Total funds £ |
|-----------------------------------|---------------------------|------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 5,400 | - | 5,400 |
| Investment income | 88,653 | - | 88,653 |
| Total | <u>94,053</u> | <u>-</u> | <u>94,053</u> |
| EXPENDITURE ON | | | |
| Raising funds | 577 | - | 577 |
| Charitable activities | | | |
| Charitable activities | 10,000 | - | 10,000 |
| Other | 14,700 | - | 14,700 |
| Total | <u>25,277</u> | <u>-</u> | <u>25,277</u> |
| NET INCOME | <u>68,776</u> | <u>-</u> | <u>68,776</u> |
| Transfers between funds | <u>(68,776)</u> | <u>68,776</u> | <u>-</u> |
| Net movement in funds | <u>-</u> | <u>68,776</u> | <u>68,776</u> |

THE SCHAPIRA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted fund £ | Endowment fund £ | Total funds £ |
|------------------------------------|---------------------------|------------------------|---------------------|
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | | |
| As previously reported | - | 3,657,275 | 3,657,275 |
| Prior year adjustment | - | (1,641,029) | (1,641,029) |
| As restated | - | 2,016,246 | 2,016,246 |
| TOTAL FUNDS CARRIED FORWARD | - | 2,085,022 | 2,085,022 |

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|---------------|------------------|------------------|
| Other debtors | <u>1,817,085</u> | <u>2,108,369</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|-----------------|--------------|---------------|
| Trade creditors | - | 13,800 |
| Other creditors | <u>9,000</u> | <u>9,900</u> |
| | <u>9,000</u> | <u>23,700</u> |

13. MOVEMENT IN FUNDS

| | At 1.1.20 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.20 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | - | (262,067) | 262,067 | - |
| Endowment funds | | | | |
| Endowment | 2,085,022 | - | (262,067) | 1,822,955 |
| TOTAL FUNDS | <u>2,085,022</u> | <u>(262,067)</u> | <u>-</u> | <u>1,822,955</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 262,726 | (524,793) | (262,067) |
| TOTAL FUNDS | <u>262,726</u> | <u>(524,793)</u> | <u>(262,067)</u> |

THE SCHAPIRA CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1.1.19 £ | Prior year adjustment £ | Net movement in funds £ | Transfers between funds £ | At 31.12.19 £ |
|---------------------------|------------------|----------------------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | | |
| General fund | - | - | 68,776 | (68,776) | - |
| Endowment funds | | | | | |
| Endowment | 3,657,275 | (1,641,029) | - | 68,776 | 2,085,022 |
| TOTAL FUNDS | <u>3,657,275</u> | <u>(1,641,029)</u> | <u>68,776</u> | <u>-</u> | <u>2,085,022</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 94,053 | (25,277) | 68,776 |
| TOTAL FUNDS | <u>94,053</u> | <u>(25,277)</u> | <u>68,776</u> |

14. RELATED PARTY DISCLOSURES

Trustees receive no remuneration (2019 - £Nil) and were not reimbursed for any of their expenses in the year (2019 - £Nil).

Included in other debtors is a secured loan to Stepman Industrial Limited of £1,817,085 (2019:£1,887,923) including accrued interest at 12% per annum. Mr S Schapira, brother of Mr I Schapira is the potential beneficiary of the Trust which own shares in the ultimate holding company of Stepman Industrial Limited. It is anticipated that it will be repaid when the commercial property owned by Stepman Industrial Limited, on which the loan is secured, is sold.

Also included in other debtors is a loan of £nil (2019:£85,750) to Stepman Management Limited of which Mr I Schapira is the sole director. Mr S Schapira, a brother of Mr I Schapira is the potential beneficiary of the Trust which owns shares in the ultimate holding company of Stepman Management Limited. Interest accrues at 10% per annum.

During the year, the Charitable Trust received £187,000 donations from a Charity with common trustees. The trustee Mr I Schapira made donation of £nil (2019: £5,400) to the Trust.

THE SCHAPIRA CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. POST BALANCE SHEET EVENTS

The outbreak and spread of the coronavirus pandemic across the globe has had a profound impact on local and global markets and is expected to continue to shape the economic landscape for the immediate future. The Trustees continue to monitor the impact of unfolding events closely in order to respond swiftly to any consequential implications on the charity. Refer to note 1 for the impacts on going concern.