

HEICHAL HATORAH

CHARITY REGISTRATION NUMBER 1095687

Annual Report and Financial Statements

**For The Year Ended
31 March 2019**



ACCOUNTS & BUSINESS SOLUTIONS LIMITED

Chartered Certified Accountants
158 Cromwell Road
Salford M6 6DE

**HEICHAL HATORAH
CHARITY REGISTRATION NUMBER 1095687
FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2019**

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Charity Information

Trustees

Rabbi Abraham Hassan
Mr Chagai Kahn
Mr David Greenblatt

Administration Address

24 Roston Road
Salford
M7 4FS

Charity Number

1095687

Independent examiner

H Davies FCCA
Accounts & Business Solutions Ltd
Chartered Certified Accountants
158 Cromwell Road
Salford M6 6DE

Bankers

RBS
18 Bury Old Road
Cheetham Hill
Manchester
M8 9JN

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Report of the trustees

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounts policies set out in note 3 to the accounts.

Structure, governance and management

Heichal Hatorah is a charitable trust constituted by a Declaration of trust executed on 7 June 2002, as amended by a supplemental deed on 27 November 2002 and is a registered charity, number 1095687. The charity is run by the trustees who all act in an honorary capacity. A new trustee would receive copies of the previous years' Annual Report and Accounts and a copy of the Charity Commission leaflet 'The Essential Trustee: What you need to know'.

Objects and activities

The main objectives of the charity are:

- 1) The furtherance of authentic Torah education
- 2) The relief of poverty
- 3) Such other charitable activities as the trustees in their absolute discretion think fit

The above objects were continued during the year and it is envisaged that these will continue in the following year.

The trustees are satisfied that the funds are used wholly for the activities of the charity in furtherance of its objects stated above.

Trustees

The trustees in office throughout the year were Rabbi Abraham Hassan, Mr Chagai Kahn and Mr David Greenblatt .

The trustees or any person connected with them did not receive any remuneration or expense allowance during the year.

Risk Management

The trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The trustees are satisfied that these systems and procedures mitigate any perceived risks.

Public Benefit Policy

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the charity.

Review of the result and reserves policy

The trustees consider that the results set out in the attached accounts are satisfactory. They are of the opinion that the balance on the reserves are sufficient to meet any future commitments under the terms of funding.

It is the policy of the charity to maintain unrestricted funds at a level which covers current commitments under the terms of their funding.

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Report of the trustees (continued)

Achievements and performance

During the year the charity received £608,087 in donations (2018: £315,511) and had a net surplus of £206,260 (2018: deficit of £66,684). Donations received were considerably higher than usual due to an exceptional fundraising campaign was made to pay for the purchase of the building. The trustees are grateful to the many donors who have been exceptionally generous and have enabled this noble development.

The charity continued running and maintaining the academy known as "Kollel Heichal Hatorah" of which the majority of its cost are wages and salaries to the scholars and lecturers totalling £306,645 for the year (2018: £288,009). Further details could be found on the charity's website being www.heichalhatorah.com.

Last year the charity purchased the building in which the studies and lectures take place and have arranged for some to be let in order to generate rental income to be used for the activities in furtherance of the Charity's Objects.

Responsibilities of the trustees

Charity Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the Balance Sheet Date, and of its incoming resources, including income and expenditure for the financial year.

In preparing those financial statements, the trustees should follow best practice and

- a. Select suitable accounting policies and apply them consistently.
- b. Make judgements and estimates that are reasonable and prudent.
- c. Follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements.
- d. Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them as trustees to ensure that the financial statements comply with the Charity Law.

The trustees are also responsible for safeguarding the charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and other regularities.

Board Of trustees

The members of the Board of the charity are set out on Page 3.

Approved by the board and signed on behalf of them all on 22 January 2020.

Chagai Kahn - Trustee

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Independent Examiner's Report to the Trustees

Independent examiner's report to the trustees of "Heichal Hatorah"
on accounts for the year to 31 March 2019 set out on pages 7 to 13

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 March 2019.

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").

I report in respect of my examination of the Trust'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

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- a) the accounting records were not kept in accordance with section 130 of the Charities Act; or
- b) the accounts did not accord with the accounting records; or
- c) 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

H Davies FCCA
Chartered Certified Accountant
Accounts & Business Solutions Limited
158 Cromwell Road
Salford
Manchester
M6 6DE

22 January 2020

HEICHAL HATORAH
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Income and expenditure account

	<i>Notes</i>	<u>2019</u> <u>£</u>	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>	<u>2018</u> <u>£</u>
Incoming resources	3		618,192		318,711
Fundraising costs			<u>(24,649)</u>		<u>(16,091)</u>
Net Incoming resources			593,544		302,620
<u>Less:</u>					
Charitable activities	4	364,845		363,359	
Support costs	5	<u>22,439</u>		<u>5,945</u>	
			(387,283)		(369,304)
Net incoming resources and net movement in funds			<u>206,260</u>		<u>(66,684)</u>
Reconciliation of funds					
Total funds brought forward			<u>(16,038)</u>		<u>50,646</u>
Total funds carried forward			<u><u>190,222</u></u>		<u><u>(16,038)</u></u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities and are attributable to unrestricted funds.

The Notes on page 9 to 12 form part of these financial statements

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Balance Sheet
At 31 March 2019

	<i>Notes</i>	<u>2019</u> <u>£</u>	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>	<u>2018</u> <u>£</u>
Fixed Assets	6		291,220		291,424
Current assets					
Cash at Bank		59,960		1,012	
Debtors	7	<u>615</u>		<u>3,370</u>	
		60,575		4,382	
Current liabilities					
Creditors: Amounts due within one year	8	<u>(13,698)</u>		<u>(93,261)</u>	
Net Current Assets			<u>46,877</u>		<u>(88,879)</u>
Total assets less current liabilities			338,097		202,545
Long term liabilities					
Creditors Amounts due within more than one year	9		<u>(147,875)</u>		<u>(218,583)</u>
Net Assets			<u><u>190,222</u></u>		<u><u>(16,038)</u></u>
Accumulated Funds					
Retained Income			(16,038)		50,646
Surplus (Deficit) for the Year			<u>206,260</u>		<u>(66,684)</u>
Reserves			<u><u>190,222</u></u>		<u><u>(16,038)</u></u>

Approved by the board and signed on behalf of them all on 22 January 2020.

Chagai Kahn - Trustee

The Notes on page 9 to 12 form part of these financial statements

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Notes To The Accounts

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the principal office is 24 Roston Road Salford M7 4FS.

2. Statement of compliance

The financial statements have been prepared under 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).

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

The charity had a major fundraising drive cumulating in a successful dinner which further publicised the charity activities. Significant funds were raised and the trustees are confident that the charity has returned to a positive net asset position.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

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Notes To The Accounts (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.

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Notes To The Accounts (continued)

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.

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.

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Notes To The Accounts (continued)

2) Taxation

The Charity is exempt from taxation on its charitable activities.

	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>
3) Incoming resources		
Donations received	608,087	315,511
Interest received	4	1
Rent received	10,101	3,199
	<u>618,192</u>	<u>318,711</u>
4) Charitable activities		
<i>Cost of Activities In Furtherance of the Charity's Objects</i>		
Donations to UK registered charities	58,200	75,350
Wages and staff costs	306,645	288,009
	<u>364,845</u>	<u>363,359</u>
5) Support costs		
Accountancy and Independent examiner's fees	2,031	956
Maintenance and cleaning	1,076	1,410
Depreciation	2,103	2,153
Insurance	217	1,262
Other legal and professional	3,336	0
Postage, stationery and office costs	108	164
Bank and card processing charges	963	0
Mortgage Interest	4,551	0
Motor Expenses	2,499	0
Refreshments and Subsistence	2,848	0
Repairs and Maintenance	2,706	0
	<u>22,439</u>	<u>5,945</u>

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Notes To The Accounts (continued)

6) Fixed Assets

	<u>Van</u>	<u>Furniture</u>	<u>Library</u>	<u>Land and</u>	<u>Total</u>
	<u>£</u>	<u>and fittings</u>	<u>£</u>	<u>building</u>	<u>£</u>
<u>Cost</u>		<u>£</u>		<u>£</u>	
At 1 April 2018	3,000	3,076	5,557	282,807	294,440
Additions	0	0	1,899	0	1,899
At 31 March 2019	<u>3,000</u>	<u>3,076</u>	<u>7,456</u>	<u>282,807</u>	<u>296,339</u>
<u>Depreciation</u>					
At 1 April 2018	600	860	1,556	0	3,016
Charge for the period	<u>480</u>	<u>443</u>	<u>1,180</u>	<u>0</u>	<u>2,103</u>
At 31 March 2019	<u>1,080</u>	<u>1,303</u>	<u>2,736</u>	<u>0</u>	<u>5,119</u>
<u>Net Book Value</u>					
At 31 March 2018	<u>2,400</u>	<u>2,216</u>	<u>4,001</u>	<u>282,807</u>	<u>291,424</u>
At 31 March 2019	<u>1,920</u>	<u>1,773</u>	<u>4,720</u>	<u>282,807</u>	<u>291,220</u>

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
7) Debtors		
Greenco Estate Agents	615	
Net HMRC gift aid repayable	<u>0</u>	<u>3,370</u>
	615	<u>3,370</u>
8) Creditors		
Amounts due within one year		
Accruals and deferred expenditure	13,698	5,261
Short term loans	<u>0</u>	<u>88,000</u>
	13,698	<u>93,261</u>
9) Creditors Amounts due within more than one year		
Other creditors	<u>147,875</u>	<u>218,583</u>
10) Independent examination fees		
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>600</u>	<u>600</u>
11) Particulars of employees:		
The average number of employees during the period. was as follows:		
	<u>Number</u>	<u>Number</u>
Number of Teachers and scholars	46	41
Number of Administrative Staff	2	2
Head	<u>1</u>	<u>1</u>
	<u>49</u>	<u>44</u>

No employee received remuneration of more than £60,000 during the period (2018 — Nil).