

CHARITY REGISTRATION NUMBER: 1049157

C E K Stern Charitable Trust
Unaudited Financial Statements
31 August 2020

C E K Stern Charitable Trust
Financial Statements
Period from 6 April 2019 to 31 August 2020

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C E K Stern Charitable Trust

Trustees' Annual Report

Period from 6 April 2019 to 31 August 2020

The trustees present their report and the unaudited financial statements of the charity for the period ended 31 August 2020.

Reference and administrative details

Registered charity name	C E K Stern Charitable Trust
Charity registration number	1049157
Principal office	32 Grasmere Street West Gateshead Tyne & Wear NE8 1TS

The trustees

Mr Z Stern
Mrs C E Stern

Structure, governance and management

Governing Document

The charity is constituted and governed by its Trust Deed dated 1st June 1992.

Appointment, Training and Recruitment of Trustees

The trustees administer the day-to-day affairs of the charity. They are experienced trustees and act in an honorary capacity. 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 and training procedures. Both of the trustees give of their time voluntarily and no benefit or expenses were paid to them during the period. New Trustees are inducted to the workings of the charity by the existing Trustees, and are given access to Charity Commission publications.

Neither of the trustees have any beneficial interest in the charity.

Risk Management

The trustees have identified and reviewed the major risks, to which the Trust is exposed, in particular those related to the operations and finance of the Trust, and are satisfied that systems are in place to mitigate those risks.

Financial risk management and policies

The charity holds or issues financial instruments in order to achieve three main objectives being:

- a) to finance its operations
- b) to manage its exposure to interest and currency risks arising from operations and from its sources of finance; and
- c) to generate funds.

In addition various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the charities operations.

C E K Stern Charitable Trust

Trustees' Annual Report *(continued)*

Period from 6 April 2019 to 31 August 2020

Structure, governance and management *(continued)*

Credit Risk

The charity has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under the financial instruments.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Related Party Transactions

All related parties are disclosed in the Financial Statements and the Notes thereon.

Objectives and activities

The Trust is established to further those purposes recognised as charitable by English Law and in furtherance of the aforementioned objects the Charity applies the income it receive mainly from its investment properties in the provision and distribution of grants and donations to Orthodox Jewish Charities.

The income of the charity is derived from investments and from donations from the trustees and associates. The trustees continued their support of those organisations deemed to promote the objectives of this charity.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and in planning future activities and setting the grant making policy for the period.

Achievements and performance

During the period the charity continued its philanthropic activities and its support of religious educational and other charitable institutions and aggregate donations were paid in the sum of £153,177 (2019: £199,429). The benefits that these charities provide include financial support to the poor and the provision of Jewish education and places of worship for the Jewish community.

C E K Stern Charitable Trust
Trustees' Annual Report *(continued)*
Period from 6 April 2019 to 31 August 2020

Financial review

The financial results of the Charity for the period are fully reflected in the attached Financial Statements together with the notes thereon. The Trustees consider the position of the Charity to be satisfactory.

Grant Making Policy

The Charity accepts applications for grants from representatives of Orthodox Jewish Charities, which are reviewed by the trustees on a regular basis. The trustees consider requests received and make donations based on level of funds available.

Investment Powers and Policy

In accordance with the trust deed, the charity has the power to make any investment which the trustees see fit. The trustees regularly view the charity's position and needs in respect of the investment policy.

The trustees, having regard to liquidity requirements of the charity and the reserves policy, operate a policy of holding available funds in interest bearing deposit accounts.

Reserves Policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level, which the trustees think appropriate after considering the future commitments of the charity and the likely administrative costs of the charity for the next year.

Plans for future periods

The charity plans to continue activities outlined above in the forthcoming years subject to satisfactory incoming resources.

Fixed Assets

The movements in fixed assets are fully reflected in the notes to the financial statements.

Land And Buildings

The charity's investment properties are included in the Balance Sheet at the trustees' best estimate of the open market value at the balance sheet date. The trustees have many years experience in the field of property investment and valuation accumulated over a considerable period of time.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

C E K Stern Charitable Trust

Trustees' Annual Report *(continued)*

Period from 6 April 2019 to 31 August 2020

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 11 June 2021 and signed on behalf of the board of trustees by:

Mrs C E Stern
Trustee

C E K Stern Charitable Trust

Independent Examiner's Report to the Trustees of C E K Stern Charitable Trust

Period from 6 April 2019 to 31 August 2020

I report to the trustees on my examination of the financial statements of C E K Stern Charitable Trust ('the charity') for the period ended 31 August 2020.

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

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.

Benny Brenig
Independent Examiner

Cohen Arnold
New Burlington House
1075 Finchley Road
London NW11 0PU

11 June 2021

C E K Stern Charitable Trust
Statement of Financial Activities
Period from 6 April 2019 to 31 August 2020

		Period from 6 Apr 19 to 31 Aug 20	Year to 5 Apr 19
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	4	38,720	1,819,912
Investment income	5	195,766	126,222
Total income		<u>234,486</u>	<u>1,946,134</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	6	(86,683)	(33,951)
Expenditure on charitable activities	7	(156,834)	(202,429)
Total expenditure		<u>(243,517)</u>	<u>(236,380)</u>
Gains/(losses) on disposal of investments	9	17,217	–
Net income		<u>8,186</u>	<u>1,709,754</u>
Other recognised gains and losses			
Gains/(losses) on revaluation of investments		60,926	(25,000)
Net movement in funds		69,112	1,684,754
Reconciliation of funds			
Total funds brought forward		2,476,811	792,057
Total funds carried forward		<u>2,545,923</u>	<u>2,476,811</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 8 to 13 form part of these financial statements.

C E K Stern Charitable Trust
Statement of Financial Position
31 August 2020

	Note	31 Aug 20 £	5 Apr 19 £
Fixed assets			
Investments	14	2,652,000	2,587,000
Current assets			
Debtors	15	77,152	107,380
Cash at bank and in hand		91,462	34,767
		<u>168,614</u>	<u>142,147</u>
Creditors: amounts falling due within one year	16	<u>(78,633)</u>	<u>(51,156)</u>
Net current assets		<u>89,981</u>	<u>90,991</u>
Total assets less current liabilities		<u>2,741,981</u>	<u>2,677,991</u>
Creditors: amounts falling due after more than one year	17	<u>(196,058)</u>	<u>(201,180)</u>
Net assets		<u><u>2,545,923</u></u>	<u><u>2,476,811</u></u>
Funds of the charity			
Unrestricted funds		<u>2,545,923</u>	<u>2,476,811</u>
Total charity funds	18	<u><u>2,545,923</u></u>	<u><u>2,476,811</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 11 Jun 21, and are signed on behalf of the board by:

Mr Z Stern
Trustee

The notes on pages 8 to 13 form part of these financial statements.

C E K Stern Charitable Trust
Notes to the Financial Statements
Period from 6 April 2019 to 31 August 2020

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 32 Grasmere Street West, Gateshead, Tyne & Wear, NE8 1TS.

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

Judgements and estimates made by the trustees, in the application of these accounting policies have significant effect on the financial statements as follows:

i. Property valuations

The valuation of the charity's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

ii. Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

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.

C E K Stern Charitable Trust

Notes to the Financial Statements *(continued)*

Period from 6 April 2019 to 31 August 2020

3. Accounting policies *(continued)*

Incoming resources

Investment income is 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. Income from donations or grants is recognised when received.

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.

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.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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.

C E K Stern Charitable Trust

Notes to the Financial Statements *(continued)*

Period from 6 April 2019 to 31 August 2020

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations received	9,720	9,720	1,654,912	1,654,912
Legacies				
Legacies received	29,000	29,000	165,000	165,000
	<u>38,720</u>	<u>38,720</u>	<u>1,819,912</u>	<u>1,819,912</u>

Donations and legacies received consist of amounts received from entities connected to the trustees of this charity.

5. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Rental income	195,735	195,735	126,203	126,203
Bank interest receivable	31	31	19	19
	<u>195,766</u>	<u>195,766</u>	<u>126,222</u>	<u>126,222</u>

6. Investment management costs

	2020 £	2019 £
Investment property management costs	74,088	24,630
Interest payable	12,595	9,321
	<u>86,683</u>	<u>33,951</u>

7. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Grants paid	153,177	—	153,177	199,429
Governance costs	—	3,657	3,657	3,000
	<u>153,177</u>	<u>3,657</u>	<u>156,834</u>	<u>202,429</u>

Charitable activities relate entirely to unrestricted funds.

C E K Stern Charitable Trust

Notes to the Financial Statements *(continued)*

Period from 6 April 2019 to 31 August 2020

8. Analysis of grants

During the period the charity made donations to charitable institutions as follows:

	£
Friends Of Mercaz Hatorah Belz Macnivka	55,000
Friends Of Beis Soroh Schneirer	45,500
Beis Chinuch Lebonos Limited	34,000
Mifal Hachesed Vehatzedokoh	11,000
Sundry amounts <£4,000	7,677
	<u>153,177</u>

All activities undertaken relate to unrestricted funds.

9. Gains/(losses) on disposal of investments

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on disposal of investments	<u>17,217</u>	<u>17,217</u>	<u>—</u>	<u>—</u>

10. Auditors remuneration

	Period from 6 Apr 19 to 31 Aug 20 £	Year to 5 Apr 19 £
Fees payable for the audit of the financial statements	<u>—</u>	<u>3,000</u>

11. Independent examination fees

	Period from 6 Apr 19 to 31 Aug 20 £	Year to 5 Apr 19 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,657</u>	<u>—</u>

12. Staff costs

No salaries or wages were paid to employees, including the trustees, during the period.

13. Trustee remuneration and expenses

The charity did not meet any individual expenses incurred by the Trustees for services provided to the charity.

C E K Stern Charitable Trust

Notes to the Financial Statements *(continued)*

Period from 6 April 2019 to 31 August 2020

14. Investments

	Investment properties £
Cost or valuation	
At 6 April 2019	2,587,000
Additions	64,074
Disposals	(60,000)
Fair value movements	60,926
At 31 August 2020	<u><u>2,652,000</u></u>
Impairment	
At 6 April 2019 and 31 August 2020	
Carrying amount	
At 31 August 2020	<u><u>2,652,000</u></u>
At 5 April 2019	<u><u>2,587,000</u></u>

All investments shown above are held at valuation.

Investment properties

Investment properties are included at their open market value as per the Trustees' valuation. The Trustees are all experienced in the field of property valuation. The historical costs of the properties was £2,529,832 (2019 - £2,473,473).

15. Debtors

	31 Aug 20 £	5 Apr 19 £
Trade debtors	<u>77,152</u>	<u>107,380</u>

16. Creditors: amounts falling due within one year

	31 Aug 20 £	5 Apr 19 £
Bank loans and overdrafts	20,000	20,000
Accruals and deferred income	5,040	5,040
Social security and other taxes	15,679	581
Other creditors	<u>37,914</u>	<u>25,535</u>
	<u><u>78,633</u></u>	<u><u>51,156</u></u>

Other creditors include £32,272 (2019: £19,893) due to the trustees.

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

	31 Aug 20 £	5 Apr 19 £
Bank loans and overdrafts	<u>196,058</u>	<u>201,180</u>

C E K Stern Charitable Trust

Notes to the Financial Statements *(continued)*

Period from 6 April 2019 to 31 August 2020

17. Creditors: amounts falling due after more than one year *(continued)*

The bank loans of the charity are secured on certain of its investment properties.

18. Analysis of charitable funds

Unrestricted funds

	At 6 April 2019	Income	Expenditure	Gains and losses	At 31 August 2020
	£	£	£	£	£
General funds	<u>2,476,811</u>	<u>234,486</u>	<u>(243,517)</u>	<u>78,143</u>	<u>2,545,923</u>

	At 6 April 2018	Income	Expenditure	Gains and losses	At 5 April 2019
	£	£	£	£	£
General funds	<u>792,057</u>	<u>1,946,134</u>	<u>(236,380)</u>	<u>(25,000)</u>	<u>2,476,811</u>

19. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2020
	£	£
Investments	2,652,000	2,652,000
Current assets	168,614	168,614
Creditors less than 1 year	(78,633)	(78,633)
Creditors greater than 1 year	<u>(196,058)</u>	<u>(196,058)</u>
Net assets	<u>2,545,923</u>	<u>2,545,923</u>

	Unrestricted Funds	Total Funds 2019
	£	£
Investments	2,587,000	2,587,000
Current assets	122,249	122,249
Creditors less than 1 year	(51,156)	(51,156)
Creditors greater than 1 year	<u>(201,180)</u>	<u>(201,180)</u>
Net assets	<u>2,456,913</u>	<u>2,456,913</u>

20. Related parties

All transactions with related parties have been disclosed in the notes to the accounts.