

SHAAREI RACHAMIM LIMITED

England & Wales · Charity number 1058261

Details

Status Registered

Legal form Charitable company

Company number [03241723](#)

Registered 1996-09-26

Register [View on the Charity Commission register](#)

Contact

Address New Burlington House
1075 Finchley Road
London
NW11 0PU

Phone 02087310777

Activities

Objects: (1) THE ADVANCEMENT OF RELIGION IN ACCORDANCE WITH THE ORTHODOX JEWISH FAITH. (2) THE RELIEF OF POVERTY AND (3) FOR SUCH OTHER PURPOSES AS ARE RECOGNISED BY ENGLISH LAW AS CHARITABLE.

Activities: The charity provides financial support to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Religious Activities, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Kent
- Manchester City
- Throughout London

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|---------|-----------|
| 2024-09-30 | £927,000 | £909,945 | £8,726 | 0 |
| 2023-09-30 | £741,000 | £746,987 | £-8,329 | 0 |
| 2022-09-30 | £431,836 | £436,687 | - | - |
| 2021-09-30 | £575,000 | £572,179 | £2,509 | 0 |
| 2020-09-30 | £1,064,600 | £1,111,301 | £-312 | 0 |

Trustees

| Name | Role | Appointed |
|--------------------|-------|------------|
| ABRAHAM KLEIN | Chair | |
| JOSHUA STERNLICHT | | |
| SARAH RACHEL KLEIN | | |
| YANKEL GROSSBERGER | | 2026-01-21 |

SHAAREI RACHAMIM LIMITED

England & Wales - Charity number 1058261

Accounts

Charity registration number 1058261 (England and Wales)

Company registration number 03241723

SHAAREI RACHAMIM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

SHAAREI RACHAMIM LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|--|
| Trustees | Mr Abraham Klein Mrs Sarah Klein Mr Joshua Sternlicht |
| Secretary | Mr Joshua Sternlicht |
| Charity number (England and Wales) | 1058261 |
| Company number | 03241723 |
| Registered office | New Burlington House 1075 Finchley Road London NW11 0PU |
| Auditor | Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU |

SHAAREI RACHAMIM LIMITED

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 3 |
| Statement of trustees' responsibilities | 4 |
| Independent auditor's report | 5 - 8 |
| Statement of financial activities | 9 |
| Statement of financial position | 10 |
| Statement of cash flows | 11 |
| Notes to the financial statements | 12 - 17 |

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The trustees present their annual report and financial statements for the year ended 30 September 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity is established for:-

- the advancement of religion in accordance with the Orthodox Jewish Faith;
- the relief of poverty; and
- for such other purposes as are recognised by English Law as charitable.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

Shaarei Rachamim Limited regularly supports charitable organisations and institutions both in respect of revenue expenditure and capital projects and there has been a continual call for funding of capital projects together with a concomitant need for increased revenue support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of The Charities Act 2011.

Grants are made to charitable institutions and organisations which conform to the objectives of the charity after the trustees have satisfied themselves as to the bona fides of the recipient.

Achievements and performance

The charity's principal source of income is derived from voluntary donations received from companies connected with the trustees. During the year under review, it received £927,000 (2023: £741,000) from connected companies.

During the year under review £904,800 (2023: £741,800) was distributed in furtherance of the charity's objectives.

Financial review

The charity had an increase in income from that of the previous year from which it was able to continue to provide grants to those institutions that it supports on a regular basis.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

At the Balance Sheet date the charity had distributable unrestricted reserves of £8,726 as against a small deficit in funds of £8,329 in the prior year.

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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

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

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

Plans for future periods

The charity plans continuing the activities outlined above in the coming year subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association. The charity is limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Abraham Klein

Mrs Sarah Klein

Mr Joshua Sternlicht

As set of in the Articles of Association the members of the charity shall not exceed twenty five. There are two classes of members:

- Ordinary members - subscribers and all persons subsequently admitted by the Council to membership.
- Honorary members - persons the Council may admit from time to time with written consent.

No person shall be admitted to the membership of the company as an ordinary member unless:

- He has signed and sent to the Secretary an application for admission framed in such terms as the Council shall from time to time prescribe, and;
- He has been elected to the membership by the Council.

All current trustees are ordinary members and no honorary members have been appointed. The organisation is run by the governors who are the trustees. Every trustee holds office until he/she shall die or shall cease to hold office by virtue of Article 48 of the Articles of Association.

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

Unless and until otherwise determined by the charity the board of trustees (Council) shall consist of not less than three or not more than ten trustees. The Council appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Council shall as soon as practicable fill the vacancy. Three ordinary members present in person shall form a quorum at a general meeting.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2024*

None of the trustees have any beneficial interest in the charity.

Auditor

In accordance with the company's articles, a resolution proposing that Cohen Arnold be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr Abraham Klein
Trustee

20 March 2025

SHAAREI RACHAMIM LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The trustees, who are also the directors of Shaarei Rachamim Limited for the purpose of company law, 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).

Company 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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Opinion

We have audited the financial statements of Shaarei Rachamim Limited (the 'charity') for the year ended 30 September 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the management and identified which were most significant with respect to the financial statements. We identified the Companies Act 2006 (including associated regulations), Charities Act 2011, Charities SORP (FRS102), Financial Reporting Standard 102, Taxation Laws and Regulations as being most significant to these financial statements. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the management the policies and procedures regarding compliance with the legal and regulatory framework.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance with legal and regulatory framework, including how fraud might occur, by enquiry with the checklists. The susceptibility to such material misstatement was determined to be low.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory framework, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HM Revenue & Customs, testing transactions outside the normal course of the business and journal entries, and discussions with the management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moshe Broner-Cohen (Senior Statutory Auditor)

For and on behalf of Cohen Arnold, Statutory Auditor

Chartered Accountants

New Burlington House

1075 Finchley Road

London

NW11 0PU

20 March 2025

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

| | Notes | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|---|-------|------------------------------------|------------------------------------|
| Income from: | | | |
| Donations and legacies | 3 | 927,000 | 741,000 |
| Total income | | 927,000 | 741,000 |
| Expenditure on: | | | |
| Charitable activities | 4 | 909,945 | 746,987 |
| Total expenditure | | 909,945 | 746,987 |
| Net income/(expenditure) and movement in funds | | 17,055 | (5,987) |
| Reconciliation of funds: | | | |
| Fund balances at 1 October 2023 | | (8,329) | (2,342) |
| Fund balances at 30 September 2024 | | 8,726 | (8,329) |

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

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|---|-----------|----------------|--------------|----------------|----------------|
| Current assets | | | | | |
| Cash at bank and in hand | | 15,642 | | 171 | |
| Creditors: amounts falling due within one year | 11 | <u>(6,916)</u> | | <u>(8,500)</u> | |
| Net current assets/(liabilities) | | | <u>8,726</u> | | <u>(8,329)</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 12 | | <u>8,726</u> | | <u>(8,329)</u> |
| | | | <u>8,726</u> | | <u>(8,329)</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 20 March 2025

Mr Abraham Klein
Trustee

Mrs Sarah Klein
Trustee

Company registration number 03241723 (England and Wales)

SHAAREI RACHAMIM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|---|-------|-----------|---------------|-----------|------------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 14 | | 15,471 | | (5,291) |
| Net cash generated from investing activities | | | - | | - |
| Net cash generated from financing activities | | | - | | - |
| Net increase/(decrease) in cash and cash equivalents | | | 15,471 | | (5,291) |
| Cash and cash equivalents at beginning of year | | | 171 | | 5,462 |
| Cash and cash equivalents at end of year | | | <u>15,642</u> | | <u>171</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Charity information

Shaarei Rachamim Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|----------------------------|--|--|
| Donations and gifts | 927,000 | 741,000 |
| | <u> </u> | <u> </u> |
| Donations and gifts | | |
| Gift Aid receipts | 927,000 | 741,000 |
| | <u> </u> | <u> </u> |
| | <u>927,000</u> | <u>741,000</u> |

4 Charitable activities

| | Grant Making 2024 £ | Grant Making 2023 £ |
|--|------------------------------------|------------------------------------|
| Grant funding of activities (see note 5) | 904,800 | 741,800 |
| Share of support costs (see note 6) | 2,865 | 3,027 |
| Share of governance costs (see note 6) | 2,280 | 2,160 |
| | <u> </u> | <u> </u> |
| | <u>909,945</u> | <u>746,987</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

5 Grants payable

| | Grant Making |
|--|--------------|
| | 2024 |
| | £ |
| Grants to institutions: | |
| Alte Feiga Trust | 10,000 |
| Meth Midrash Lemoroth | 6,500 |
| Beis Kosov | 13,000 |
| Beis Hatalmud Trust | 6,800 |
| Chasdei Yoel Charitable Trust | 18,000 |
| Chevras Mo'oz Ladol | 26,000 |
| Congregation Vyoel Moshe D'Satmar Charitable Trust | 10,000 |
| Collel Chibath Jerushalayim | 10,000 |
| Chasdei Moishe Trust | 8,500 |
| The Egerton Road Trust | 10,000 |
| Ezer Mikoidesh Foundation | 7,500 |
| Ezras Yoel | 10,000 |
| FUNDD | 7,000 |
| Kahal Imrei Chaim Limited | 10,500 |
| Kehal Charedim Trust | 10,000 |
| Kupat Gemach Chaim Bechesed Viznitz Trust | 8,000 |
| KYL Central Shul Trust | 7,000 |
| Lechem Shlomo | 6,500 |
| Live and Learn | 7,500 |
| Machsikie Yeshive | 10,000 |
| Rays of Hope | 7,000 |
| Revach Vehazola Trust | 10,000 |
| Reb Shayales Tzeduke | 10,000 |
| Satmar Nursery Trust | 10,000 |
| Satmar Kolel | 8,000 |
| Satmar Seminary | 22,500 |
| Talmud Torah Education Limited | 10,000 |
| Yeshivo Horomo | 10,000 |
| UTRY | 15,000 |
| Vyoel Moshe Charitable Trust | 20,000 |
| Yetev Lev London Jerusalem Trust | 10,000 |
| Yesamach Levav | 15,000 |
| Yeshiva Gedoilah Torah Veyirah Limited | 8,000 |
| Yad Vochedsed Association Limited | 10,000 |
| Yeshiva Gedolah Seminar | 7,500 |
| Yad Toiva (The Kind Hand) Trust | 8,000 |
| Other donations below £6,500 | 521,000 |
| | <hr/> |
| | 904,800 |
| | <hr/> <hr/> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

6 Support costs

| | Support costs | Governance costs | 2024 | 2023 |
|------------------------|---------------|------------------|--------------|--------------|
| | £ | £ | £ | £ |
| Accountancy fees | 2,520 | - | 2,520 | 2,520 |
| Bank charges | 108 | - | 108 | 104 |
| Sundry expenses | 237 | - | 237 | 403 |
| Auditors' remuneration | - | 2,280 | 2,280 | 2,160 |
| | <u>2,865</u> | <u>2,280</u> | <u>5,145</u> | <u>5,187</u> |
| Analysed between | | | | |
| Charitable activities | <u>2,865</u> | <u>2,280</u> | <u>5,145</u> | <u>5,187</u> |

Governance costs includes payments to the auditors of £2,280 (2023- £2,280) for audit fees.

7 Net movement in funds

| | 2024 | 2023 |
|--|--------------|--------------|
| | £ | £ |
| The net movement in funds is stated after charging/(crediting): | | |
| Fees payable for the audit of the charity's financial statements | <u>2,280</u> | <u>2,160</u> |

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

| | 2024 | 2023 |
|-------|----------|----------|
| | Number | Number |
| Total | <u>-</u> | <u>-</u> |

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Creditors: amounts falling due within one year

| | 2024 | 2023 |
|-----------------|--------------|--------------|
| | £ | £ |
| Other creditors | <u>6,916</u> | <u>8,500</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 October 2023 | Incoming resources | Resources expended | At 30 September 2024 |
|-----------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------------|
| | £ | £ | £ | £ |
| General funds | (8,329) | 927,000 | (909,945) | 8,726 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Previous year: | At 1 October 2022 | Incoming resources | Resources expended | At 30 September 2023 |
| | £ | £ | £ | £ |
| General funds | (2,342) | 741,000 | (746,987) | (8,329) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

13 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The charity received donations of £927,000 from companies with which the trustees are connected. No conditions were attached to any of these donations received.

| 14 Cash generated from/(absorbed by) operations | 2024 £ | 2023 £ |
|---|---------------|----------------|
| Surplus/(deficit) for the year | 17,055 | (5,987) |
| Movements in working capital: | | |
| (Decrease)/increase in creditors | (1,584) | 696 |
| Cash generated from/(absorbed by) operations | <u>15,471</u> | <u>(5,291)</u> |

15 Analysis of changes in net funds

The charity had no material debt during the year.

SHAAREI RACHAMIM LIMITED

England & Wales - Charity number 1058261

Accounts

Charity registration number 1058261

Company registration number 03241723 (England and Wales)

SHAAREI RACHAMIM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

SHAAREI RACHAMIM LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|--|
| Trustees | Mr Abraham Klein Mrs Sarah Klein Mr Joshua Sternlicht |
| Secretary | Mr Joshua Sternlicht |
| Charity number | 1058261 |
| Company number | 03241723 |
| Registered office | New Burlington House 1075 Finchley Road London NW11 0PU |
| Auditor | Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU |

SHAAREI RACHAMIM LIMITED

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 3 |
| Statement of trustees' responsibilities | 4 |
| Independent auditor's report | 5 - 8 |
| Statement of financial activities | 9 |
| Statement of financial position | 10 |
| Statement of cash flows | 11 |
| Notes to the financial statements | 12 - 17 |

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees present their annual report and financial statements for the year ended 30 September 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity is established for:-

- the advancement of religion in accordance with the Orthodox Jewish Faith;
- the relief of poverty; and
- for such other purposes as are recognised by English Law as charitable.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

Shaarei Rachamim Limited regularly supports charitable organisations and institutions both in respect of revenue expenditure and capital projects and there has been a continual call for funding of capital projects together with a concomitant need for increased revenue support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of The Charities Act 2011.

Grants are made to charitable institutions and organisations which conform to the objectives of the charity after the trustees have satisfied themselves as to the bona fides of the recipient.

Achievements and performance

The charity's principal source of income is derived from voluntary donations received from companies connected with the trustees. During the year under review, it received £741,000 (2022: £431,950) from connected companies.

During the year under review £741,800 (2022: £431,950) was distributed in furtherance of the charity's objectives.

Financial review

The charity had an increase in income from that of the previous year from which it was able to continue to provide grants to those institutions that it supports on a regular basis.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

At the Balance Sheet date the charity had a small deficit in funds of £8,329 as against a deficit of unrestricted funds of £2,342 in the prior year.

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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

- to finance it's operations
- to manage it's exposure to interest and currency risks arising from it's operations and from it's sources of finance; and
- to generate funds.

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

Plans for future periods

The charity plans continuing the activities outlined above in the coming year subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association. The charity is limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Abraham Klein

Mrs Sarah Klein

Mr Joshua Sternlicht

As set of in the Articles of Association the members of the charity shall not exceed twenty five. There are two classes of members:

- Ordinary members - subscribers and all persons subsequently admitted by the Council to membership.
- Honorary members - persons the Council may admit from time to time with written consent.

No person shall be admitted to the membership of the company as an ordinary member unless:

- He has signed and sent to the Secretary an application for admission framed in such terms as the Council shall from time to time prescribe, and:
- He has been elected to the membership by the Council.

All current trustees are ordinary members and no honorary members have been appointed. The organisation is run by the governors who are the trustees. Every trustee holds office until he/she shall die or shall cease to hold office by virtue of Article 48 of the Articles of Association.

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

Unless and until otherwise determined by the charity the board of trustees (Council) shall consist of not less than three or not more than ten trustees. The Council appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Council shall as soon as practicable fill the vacancy. Three ordinary members present in person shall form a quorum at a general meeting.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

None of the trustees have any beneficial interest in the charity.

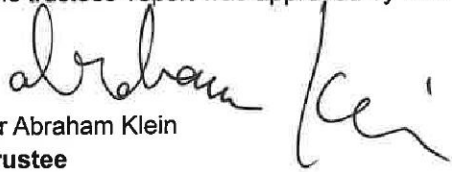
Auditor

In accordance with the company's articles, a resolution proposing that Cohen Arnold be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr Abraham Klein
Trustee

6 June 2024

SHAAREI RACHAMIM LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees, who are also the directors of Shaarei Rachamim Limited for the purpose of company law, 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).

Company 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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Opinion

We have audited the financial statements of Shaarei Rachamim Limited (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the management and identified which were most significant with respect to the financial statements. We identified the Companies Act 2006 (including associated regulations), Charities Act 2011, Charities SORP (FRS102), Financial Reporting Standard 102, Taxation Laws and Regulations as being most significant to these financial statements. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the management the policies and procedures regarding compliance with the legal and regulatory framework.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance with legal and regulatory framework, including how fraud might occur, by enquiry with the checklists. The susceptibility to such material misstatement was determined to be low.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory framework, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HM Revenue & Customs, testing transactions outside the normal course of the business and journal entries, and discussions with the management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

M. Broner-Cohen

Moshe Broner-Cohen (Senior Statutory Auditor)
for and on behalf of Cohen Arnold

6 June 2024

Chartered Accountants
Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

| | Notes | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|--|-------|---------------------------------|---------------------------------|
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 741,000 | 431,836 |
| | | <u>741,000</u> | <u>431,836</u> |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 4 | 746,987 | 436,687 |
| | | <u>746,987</u> | <u>436,687</u> |
| Net expenditure for the year/ Net movement in funds | | (5,987) | (4,851) |
| Fund balances at 1 October 2022 | | (2,342) | 2,509 |
| | | <u>(2,342)</u> | <u>2,509</u> |
| Fund balances at 30 September 2023 | | <u>(8,329)</u> | <u>(2,342)</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|----------------|----------------|----------------|----------------|
| Current assets | | | | | |
| Cash at bank and in hand | | 171 | | 5,462 | |
| Creditors: amounts falling due within one year | 11 | <u>(8,500)</u> | | <u>(7,804)</u> | |
| Net current liabilities | | | <u>(8,329)</u> | | <u>(2,342)</u> |
| Income funds | | | | | |
| Unrestricted funds | | | <u>(8,329)</u> | | <u>(2,342)</u> |
| | | | <u>(8,329)</u> | | <u>(2,342)</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 6 June 2024


Mr Abraham Klein
Trustee


Mrs Sarah Klein
Trustee

Company registration number 03241723

SHAAREI RACHAMIM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|-----------|---------|-----------|---------|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 13 | | (5,291) | | (4,052) |
| Net cash used in investing activities | | | - | | - |
| Net cash used in financing activities | | | - | | - |
| Net decrease in cash and cash equivalents | | | (5,291) | | (4,052) |
| Cash and cash equivalents at beginning of year | | | 5,462 | | 9,514 |
| Cash and cash equivalents at end of year | | | 171 | | 5,462 |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Charity information

Shaarei Rachamim Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|----------------------------|-----------------------|-----------------------|
| | 2023 | 2022 |
| | £ | £ |
| Donations and gifts | 741,000 | 431,836 |
| | <u>741,000</u> | <u>431,836</u> |
| Donations and gifts | | |
| Gift Aid receipts | 741,000 | 431,836 |
| | <u>741,000</u> | <u>431,836</u> |

4 Charitable activities

| | Grant Making 2023 | Grant Making 2022 |
|--|----------------------|----------------------|
| | £ | £ |
| Grant funding of activities (see note 5) | 741,800 | 431,950 |
| Share of support costs (see note 6) | 3,027 | 2,457 |
| Share of governance costs (see note 6) | 2,160 | 2,280 |
| | <u>746,987</u> | <u>436,687</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

5 Grants payable

| | Grant Making |
|--|----------------|
| | 2023 |
| | £ |
| Grants to institutions: | |
| The Beth Hamedrash Satmar Trust | 16,000 |
| Bnois Jerusalem Schools | 10,000 |
| Beis Kosov | 11,000 |
| Chevras Mo'oz Ladol | 22,700 |
| Congregation Vyoel Moshe D'Satmar Charitable Trust | 14,000 |
| Collel Chibath Jerushalayim | 10,000 |
| Chasdei Moishe Trust | 15,000 |
| The Egerton Road Trust | 10,000 |
| Ezer Viznitz Foundation | 10,000 |
| Friends of Boyan Trust | 10,000 |
| Friends of Yeshiva Daas Sholem Shotz | 6,500 |
| Kolle Shomrei Hachomos | 15,000 |
| Kehal Charedim Trust | 10,000 |
| Keren Nissuin (Misionim) | 10,000 |
| Live and Learn | 7,500 |
| Machsikie Yeshive | 9,000 |
| Mifal Tov Vachessed | 6,000 |
| Ozar Lenetzrochim Limited | 10,000 |
| Satmar Nursery Trust | 7,500 |
| Satmar Seminary | 18,500 |
| Teens Trailblazers | 6,000 |
| Tomchei Avreichim | 10,000 |
| Talmud Torah Education Limited | 10,000 |
| Toldos Aharon Trust Limited | 10,000 |
| Yeshivo Horomo | 9,600 |
| UTRY | 20,000 |
| Vyoel Moshe Charitable Trust | 20,000 |
| Yetev Lev London Jerusalem Trust | 13,000 |
| Yesamach Levav | 15,000 |
| Yeshiva Gedoilah Torah Veyirah Limited | 10,000 |
| Other donations below £6,000 | 389,500 |
| | <u>741,800</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

| 6 | Support costs | Support costs £ | Governance costs £ | 2023 £ | 2022 £ |
|---|---|--------------------|-----------------------|--------------|--------------|
| | Accountancy fees | 2,520 | - | 2,520 | 2,052 |
| | Bank charges | 104 | - | 104 | 68 |
| | Sundry expenses | 403 | - | 403 | 337 |
| | Auditors' remuneration | - | 2,160 | 2,160 | 2,280 |
| | | <u>3,027</u> | <u>2,160</u> | <u>5,187</u> | <u>4,737</u> |
| | Analysed between Charitable activities | <u>3,027</u> | <u>2,160</u> | <u>5,187</u> | <u>4,737</u> |

Governance costs includes payments to the auditors of £2,160 (2022- £2,280) for audit fees.

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| Fees payable to the charity's auditor and associates: | 2023 £ | 2022 £ |
|---|--------------|--------------|
| Audit of the charity's annual accounts | 2,160 | 2,280 |
| | <u>2,160</u> | <u>2,280</u> |

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

| | 2023 Number | 2022 Number |
|-------|----------------|----------------|
| Total | - | - |
| | <u>-</u> | <u>-</u> |

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

11 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|-----------------|-----------|-----------|
| Other creditors | 8,500 | 7,804 |

12 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The charity received donations of £741,000 from companies with which the trustees are connected. No conditions were attached to any of these donations received.

13 Cash generated from operations

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Deficit for the year | (5,987) | (4,851) |
| Movements in working capital: Increase in creditors | 696 | 799 |
| Cash absorbed by operations | (5,291) | (4,052) |

14 Analysis of changes in net funds

The charity had no debt during the year.

SHAAREI RACHAMIM LIMITED

England & Wales - Charity number 1058261

Accounts

Charity registration number 1058261

Company registration number 03241723 (England and Wales)

SHAAREI RACHAMIM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

SHAAREI RACHAMIM LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|--|
| Trustees | Mr Abraham Klein Mrs Sarah Klein Mr Joshua Sternlicht |
| Secretary | Mr Joshua Sternlicht |
| Charity number | 1058261 |
| Company number | 03241723 |
| Registered office | New Burlington House 1075 Finchley Road London NW11 0PU |
| Auditor | Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU |

SHAAREI RACHAMIM LIMITED

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 3 |
| Statement of trustees' responsibilities | 4 |
| Independent auditor's report | 5 - 8 |
| Statement of financial activities | 9 |
| Statement of financial position | 10 |
| Statement of cash flows | 11 |
| Notes to the financial statements | 12 - 17 |

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The trustees present their annual report and financial statements for the year ended 30 September 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity is established for:-

- the advancement of religion in accordance with the Orthodox Jewish Faith;
- the relief of poverty; and
- for such other purposes as are recognised by English Law as charitable.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

Shaarei Rachamim Limited regularly supports charitable organisations and institutions both in respect of revenue expenditure and capital projects and there has been a continual call for funding of capital projects together with a concomitant need for increased revenue support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of The Charities Act 2011.

Grants are made to charitable institutions and organisations which conform to the objectives of the charity after the trustees have satisfied themselves as to the bona fides of the recipient.

Achievements and performance

The charity's principal source of income is derived from voluntary donations received from companies connected with the trustees. During the year under review, it received £431,836 (2021: £565,000) from connected companies.

During the year under review £431,950 (2021: £568,100) was distributed in furtherance of the charity's objectives.

Financial review

The charity had an increase in income from that of the previous year from which it was able to continue to provide grants to those institutions that it supports on a regular basis.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

At the Balance Sheet date the charity had a small deficit in funds of £2,342 as against a small surplus of unrestricted funds of £2,509 in the prior year.

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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

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

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

Plans for future periods

The charity plans continuing the activities outlined above in the coming year subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association. The charity is limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Abraham Klein

Mrs Sarah Klein

Mr Joshua Sternlicht

As set of in the Articles of Association the members of the charity shall not exceed twenty five. There are two classes of members:

- Ordinary members - subscribers and all persons subsequently admitted by the Council to membership.
- Honorary members - persons the Council may admit from time to time with written consent.

No person shall be admitted to the membership of the company as an ordinary member unless:

- He has signed and sent to the Secretary an application for admission framed in such terms as the Council shall from time to time prescribe, and:
- He has been elected to the membership by the Council.

All current trustees are ordinary members and no honorary members have been appointed. The organisation is run by the governors who are the trustees. Every trustee holds office until he/she shall die or shall cease to hold office by virtue of Article 48 of the Articles of Association.

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

Unless and until otherwise determined by the charity the board of trustees (Council) shall consist of not less than three or not more than ten trustees. The Council appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Council shall as soon as practicable fill the vacancy. Three ordinary members present in person shall form a quorum at a general meeting.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2022*

None of the trustees have any beneficial interest in the charity.

Auditor

In accordance with the company's articles, a resolution proposing that Cohen Arnold be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr Abraham Klein

Trustee

4 July 2023

SHAAREI RACHAMIM LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The trustees, who are also the directors of Shaarei Rachamim Limited for the purpose of company law, 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).

Company 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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Opinion

We have audited the financial statements of Shaarei Rachamim Limited (the 'charity') for the year ended 30 September 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the management and identified which were most significant with respect to the financial statements. We identified the Companies Act 2006 (including associated regulations), Charities Act 2011, Charities SORP (FRS102), Financial Reporting Standard 102, Taxation Laws and Regulations as being most significant to these financial statements. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the management the policies and procedures regarding compliance with the legal and regulatory framework.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance with legal and regulatory framework, including how fraud might occur, by enquiry with the checklists. The susceptibility to such material misstatement was determined to be low.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory framework, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HM Revenue & Customs, testing transactions outside the normal course of the business and journal entries, and discussions with the management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moshe Broner-Cohen (Senior Statutory Auditor)
for and on behalf of Cohen Arnold

4 July 2023

Chartered Accountants
Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | | Unrestricted funds | Unrestricted funds |
|---|-------|--------------------|--------------------|
| | | 2022 | 2021 |
| | Notes | £ | £ |
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 431,836 | 575,000 |
| | | <hr/> | <hr/> |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 4 | 436,687 | 572,179 |
| | | <hr/> | <hr/> |
| Net (expenditure)/income for the year/ Net movement in funds | | (4,851) | 2,821 |
| Fund balances at 1 October 2021 | | 2,509 | (312) |
| | | <hr/> | <hr/> |
| Fund balances at 30 September 2022 | | (2,342) | 2,509 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-----------|----------------|----------------|----------------|--------------|
| Current assets | | | | | |
| Cash at bank and in hand | | 5,462 | | 9,514 | |
| Creditors: amounts falling due within one year | 10 | <u>(7,804)</u> | | <u>(7,005)</u> | |
| Net current (liabilities)/assets | | | <u>(2,342)</u> | | <u>2,509</u> |
| Income funds | | | | | |
| Unrestricted funds | | | <u>(2,342)</u> | | <u>2,509</u> |
| | | | <u>(2,342)</u> | | <u>2,509</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 4 July 2023

Mr Abraham Klein
Trustee

Mrs Sarah Klein
Trustee

Company registration number 03241723

SHAAREI RACHAMIM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|---------|-----------|-------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 12 | | (4,052) | | 4,849 |
| Net cash used in investing activities | | | - | | - |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (4,052) | | 4,849 |
| Cash and cash equivalents at beginning of year | | | 9,514 | | 4,665 |
| Cash and cash equivalents at end of year | | | 5,462 | | 9,514 |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Charity information

Shaarei Rachamim Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|----------------------------|-------------------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Donations and gifts | 431,836 | 575,000 |
| | <u> </u> | <u> </u> |
| Donations and gifts | | |
| Gift Aid receipts | 431,836 | 565,000 |
| Other donations received | - | 10,000 |
| | <u> </u> | <u> </u> |
| | <u>431,836</u> | <u>575,000</u> |

4 Charitable activities

| | Grant Making 2022 | Grant Making 2021 |
|--|------------------------------|----------------------|
| | £ | £ |
| Grant funding of activities (see note 5) | 431,950 | 568,100 |
| Share of support costs (see note 6) | 2,457 | 2,279 |
| Share of governance costs (see note 6) | 2,280 | 1,800 |
| | <u> </u> | <u> </u> |
| | <u>436,687</u> | <u>572,179</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Grants payable

| | Grant Making |
|--|---------------------|
| | 2022 |
| | £ |
| Grants to institutions: | |
| Binyen Torah Ltd | 7,000 |
| Bnois Jerusalem Schools | 12,000 |
| Beis Ruchel D'Satmar (London) Limited | 20,000 |
| Congregation Vyoel Moshe D'Satmar Charitable Trust | 13,000 |
| Cong. D'Satmar Limited | 10,000 |
| Chasdei Moishe Trust | 10,000 |
| Ezer Viznitz Foundation | 8,500 |
| Ezer Bekovoid Limited | 7,000 |
| Friends of Yeshiva Gedola Sevenoaks | 6,800 |
| Kollel Viznitz London | 8,000 |
| Live and Learn | 7,500 |
| Rise and Shine | 10,000 |
| Tomchei Avreichim | 9,000 |
| Talmud Torah Education Limited | 10,000 |
| Yeshivo Horomo | 11,500 |
| UTRY | 20,000 |
| Vyoel Moshe Charitable Trust | 20,000 |
| Vishnitz Girls School Limited | 10,000 |
| Yetev Lev London Jerusalem Trust | 10,000 |
| Yesamach Levav | 10,000 |
| Yeshiva Gedoilah Torah Veyirah Limited | 9,300 |
| Yad Vochedsed Association Limited | 10,000 |
| The Z.S.V. Trust | 6,500 |
| Other donations below £6,000 | 185,850 |
| | <hr/> |
| | 431,950 |
| | <hr/> <hr/> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

6 Support costs

| | Support costs | Governance costs | 2022 | 2021 |
|------------------------|---------------|------------------|--------------|--------------|
| | £ | £ | £ | £ |
| Accountancy fees | 2,052 | - | 2,052 | 2,052 |
| Bank charges | 68 | - | 68 | 40 |
| Sundry expenses | 337 | - | 337 | 187 |
| Auditors' remuneration | - | 2,280 | 2,280 | 1,800 |
| | <u>2,457</u> | <u>2,280</u> | <u>4,737</u> | <u>4,079</u> |
| Analysed between | | | | |
| Charitable activities | <u>2,457</u> | <u>2,280</u> | <u>4,737</u> | <u>4,079</u> |

Governance costs includes payments to the auditors of £2,280 (2021- £1,800) for audit fees.

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| Audit of the charity's annual accounts | 2,280 | 1,800 |
| | <u>2,280</u> | <u>1,800</u> |

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

| | 2022 | 2021 |
|-------|----------|----------|
| | Number | Number |
| Total | - | - |
| | <u>-</u> | <u>-</u> |

There were no employees whose annual remuneration was more than £60,000.

10 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|-----------------|--------------|--------------|
| | £ | £ |
| Other creditors | 7,804 | 7,005 |
| | <u>7,804</u> | <u>7,005</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The charity received donations of £431,836 from companies with which the trustees are connected. No conditions were attached to any of these donations received.

| 12 Cash generated from operations | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| (Deficit)/surplus for the year | (4,851) | 2,821 |
| Movements in working capital: | | |
| Increase in creditors | 799 | 2,028 |
| Cash (absorbed by)/generated from operations | (4,052) | 4,849 |
| | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> |

13 Analysis of changes in net funds

The charity had no debt during the year.

SHAAREI RACHAMIM LIMITED

England & Wales - Charity number 1058261

Accounts

Charity registration number 1058261

Company registration number 03241723 (England and Wales)

SHAAREI RACHAMIM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

SHAAREI RACHAMIM LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|--|
| Trustees | Mr Abraham Klein Mrs Sarah Klein Mr Joshua Sternlicht |
| Secretary | Mr Joshua Sternlicht |
| Charity number | 1058261 |
| Company number | 03241723 |
| Registered office | New Burlington House 1075 Finchley Road London NW11 0PU |
| Auditor | Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU |

SHAAREI RACHAMIM LIMITED

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 3 |
| Statement of trustees' responsibilities | 4 |
| Independent auditor's report | 5 - 8 |
| Statement of financial activities | 9 |
| Statement of financial position | 10 |
| Statement of cash flows | 11 |
| Notes to the financial statements | 12 - 17 |

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees present their annual report and financial statements for the year ended 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity is established for:-

- the advancement of religion in accordance with the Orthodox Jewish Faith;
- the relief of poverty; and
- for such other purposes as are recognised by English Law as charitable.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

Shaarei Rachamim Limited regularly supports charitable organisations and institutions both in respect of revenue expenditure and capital projects and there has been a continual call for funding of capital projects together with a concomitant need for increased revenue support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of The Charities Act 2011.

Grants are made to charitable institutions and organisations which conform to the objectives of the charity after the trustees have satisfied themselves as to the bona fides of the recipient.

Achievements and performance

The charity's principal source of income is derived from voluntary donations received from companies connected with the trustees. During the year under review, it received £565,000 (2020: £1,064,600) from connected companies.

During the year under review £568,100 (2020: £1,107,450) was distributed in furtherance of the charity's objectives.

Financial review

The charity had an increase in income from that of the previous year from which it was able to continue to provide grants to those institutions that it supports on a regular basis.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

At the Balance Sheet date the charity had unrestricted funds of £2,509, all of which are distributable, as against a small deficit of £312 in the prior year.

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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

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

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

Plans for future periods

The charity plans continuing the activities outlined above in the coming year subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association. The charity is limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Abraham Klein

Mrs Sarah Klein

Mr Joshua Sternlicht

As set of in the Articles of Association the members of the charity shall not exceed twenty five. There are two classes of members:

- Ordinary members - subscribers and all persons subsequently admitted by the Council to membership.
- Honorary members - persons the Council may admit from time to time with written consent.

No person shall be admitted to the membership of the company as an ordinary member unless:

- He has signed and sent to the Secretary an application for admission framed in such terms as the Council shall from time to time prescribe, and:
- He has been elected to the membership by the Council.

All current trustees are ordinary members and no honorary members have been appointed. The organisation is run by the governors who are the trustees. Every trustee holds office until he/she shall die or shall cease to hold office by virtue of Article 48 of the Articles of Association.

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

Unless and until otherwise determined by the charity the board of trustees (Council) shall consist of not less than three or not more than ten trustees. The Council appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Council shall as soon as practicable fill the vacancy. Three ordinary members present in person shall form a quorum at a general meeting.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2021*

None of the trustees have any beneficial interest in the charity.

Auditor

In accordance with the company's articles, a resolution proposing that Cohen Arnold be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr Abraham Klein
Trustee

21 July 2022

SHAAREI RACHAMIM LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees, who are also the directors of Shaarei Rachamim Limited for the purpose of company law, 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).

Company 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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Opinion

We have audited the financial statements of Shaarei Rachamim Limited (the 'charity') for the year ended 30 September 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the management and identified which were most significant with respect to the financial statements. We identified the Companies Act 2006 (including associated regulations), Charities Act 2011, Charities SORP (FRS102), Financial Reporting Standard 102, Taxation Laws and Regulations as being most significant to these financial statements. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the management the policies and procedures regarding compliance with the legal and regulatory framework.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance with legal and regulatory framework, including how fraud might occur, by enquiry with the checklists. The susceptibility to such material misstatement was determined to be low.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory framework, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HM Revenue & Customs, testing transactions outside the normal course of the business and journal entries, and discussions with the management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moshe Broner-Cohen (Senior Statutory Auditor)
for and on behalf of Cohen Arnold

21 July 2022

Chartered Accountants
Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | | Unrestricted funds 2021 £ | Unrestricted funds 2020 £ |
|---|-------|---------------------------------|---------------------------------|
| | Notes | | |
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 575,000 | 1,064,600 |
| | | <hr/> | <hr/> |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 4 | 572,179 | 1,111,301 |
| | | <hr/> | <hr/> |
| Net income/(expenditure) for the year/ Net movement in funds | | 2,821 | (46,701) |
| Fund balances at 1 October 2020 | | (312) | 46,389 |
| | | <hr/> | <hr/> |
| Fund balances at 30 September 2021 | | 2,509 | (312) |
| | | <hr/> <hr/> | <hr/> <hr/> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-------|-----------|-------|
| Current assets | | | | | |
| Cash at bank and in hand | | 9,514 | | 4,665 | |
| Creditors: amounts falling due within one year | | | | | |
| | 10 | (7,005) | | (4,977) | |
| Net current assets/(liabilities) | | | 2,509 | | (312) |
| Income funds | | | | | |
| Unrestricted funds | | | 2,509 | | (312) |
| | | | 2,509 | | (312) |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 21 July 2022

Mr Abraham Klein
Trustee

Mrs Sarah Klein
Trustee

Company registration number 03241723

SHAAREI RACHAMIM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 12 | | 4,849 | | (53,571) |
| Net cash used in investing activities | | | - | | - |
| Net cash used in financing activities | | | - | | - |
| Net increase/(decrease) in cash and cash equivalents | | | 4,849 | | (53,571) |
| Cash and cash equivalents at beginning of year | | | 4,665 | | 58,236 |
| Cash and cash equivalents at end of year | | | 9,514 | | 4,665 |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Charity information

Shaarei Rachamim Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|----------------------------|-------------------------------|-----------------------|
| | 2021 | 2020 |
| | £ | £ |
| Donations and gifts | 575,000 | 1,064,600 |
| | <u>575,000</u> | <u>1,064,600</u> |
| Donations and gifts | | |
| Gift Aid receipts | 565,000 | 1,064,600 |
| Other donations received | 10,000 | - |
| | <u>575,000</u> | <u>1,064,600</u> |

4 Charitable activities

| | Grant Making 2021 | Grant Making 2020 |
|--|----------------------------------|-------------------------|
| | £ | £ |
| Grant funding of activities (see note 5) | 568,100 | 1,107,450 |
| Share of support costs (see note 6) | 2,279 | 2,051 |
| Share of governance costs (see note 6) | 1,800 | 1,800 |
| | <u>572,179</u> | <u>1,111,301</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Grants payable

| | Grant Making |
|--|---------------------|
| | 2021 |
| | £ |
| Grants to institutions: | |
| Amud Hatzdokoh Trust | 15,000 |
| Alte Feiga Trust | 10,000 |
| The Beth Hamedrash Satmar Trust | 11,500 |
| Be'er Yitzchok Trust | 10,000 |
| Ben Amram Charitable Trust | 10,000 |
| Bnois Jerusalem Schools | 10,000 |
| Beis Ruchel D'Satmar (London) Limited | 30,000 |
| Beis Kosov | 15,000 |
| Chevras Mo'oz Ladol | 15,000 |
| Craven Walk Beth Hamedrash Trust | 12,500 |
| Chasdei Moishe Trust | 11,500 |
| The Egerton Road Trust | 10,000 |
| Jcoci Educational Foundation Ltd | 10,000 |
| Kehal Charedim Trust | 10,000 |
| Kollel Torah Ve Yirah Limited | 12,000 |
| Kollel Viznitz London | 10,000 |
| Notzar Chesed | 10,000 |
| Satmar Nursery Trust | 10,000 |
| The ABC Trust | 10,000 |
| Tchernobel Foundation Limited | 10,000 |
| Yeshivo Horomo | 11,200 |
| UTRY | 20,000 |
| Vyoel Moshe Charitable Trust | 30,000 |
| Yesamach Levav | 10,000 |
| Yad Shlomo Trust | 20,000 |
| Yeshiva Gedoilah Torah Veyirah Limited | 13,000 |
| Other donations below £10,000 | 221,400 |
| | <hr/> |
| | 568,100 |
| | <hr/> <hr/> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Support costs

| | Support costs | Governance costs | 2021 | 2020 |
|------------------------|---------------|------------------|--------------|--------------|
| | £ | £ | £ | £ |
| Accountancy fees | 2,052 | - | 2,052 | 1,824 |
| Bank charges | 40 | - | 40 | 40 |
| Sundry expenses | 187 | - | 187 | 187 |
| Auditors' remuneration | - | 1,800 | 1,800 | 1,800 |
| | <u>2,279</u> | <u>1,800</u> | <u>4,079</u> | <u>3,851</u> |
| Analysed between | | | | |
| Charitable activities | <u>2,279</u> | <u>1,800</u> | <u>4,079</u> | <u>3,851</u> |

Governance costs includes payments to the auditors of £1,800 (2020- £1,800) for audit fees.

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| Fees payable to the charity's auditor and associates: | 2021 | 2020 |
|---|--------------|--------------|
| | £ | £ |
| Audit of the charity's annual accounts | 1,800 | 1,800 |
| | <u>1,800</u> | <u>1,800</u> |

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

| | 2021 | 2020 |
|-------|----------|----------|
| | Number | Number |
| Total | - | - |
| | <u>-</u> | <u>-</u> |

There were no employees whose annual remuneration was more than £60,000.

10 Creditors: amounts falling due within one year

| | 2021 | 2020 |
|-----------------|--------------|--------------|
| | £ | £ |
| Other creditors | 7,005 | 4,977 |
| | <u>7,005</u> | <u>4,977</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The charity received donations of £565,000 from companies with which the trustees are connected. No conditions were attached to any of these donations received.

| 12 Cash generated from operations | 2021 | 2020 |
|---|--------------|-----------------|
| | £ | £ |
| Surplus/(deficit) for the year | 2,821 | (46,701) |
| Movements in working capital: | | |
| Increase/(decrease) in creditors | 2,028 | (6,870) |
| Cash generated from/(absorbed by) operations | 4,849 | (53,571) |

13 Analysis of changes in net funds

The charity had no debt during the year.

SHAAREI RACHAMIM LIMITED

England & Wales - Charity number 1058261

Accounts

Charity Registration No. 1058261

Company Registration No. 03241723 (England and Wales)

SHAAREI RACHAMIM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

SHAAREI RACHAMIM LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------|--|
| Trustees | Mr Abraham Klein Mrs Sarah Klein Mr Joshua Sternlicht |
| Secretary | Mr Joshua Sternlicht |
| Charity number | 1058261 |
| Company number | 03241723 |
| Auditor | Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU |

SHAAREI RACHAMIM LIMITED

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 3 |
| Statement of trustees' responsibilities | 4 |
| Independent auditor's report | 5 - 7 |
| Statement of financial activities | 8 |
| Statement of financial position | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 - 16 |

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees present their report and financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity is established for:-

- the advancement of religion in accordance with the Orthodox Jewish Faith;
- the relief of poverty; and
- for such other purposes as are recognised by English Law as charitable.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

Shaarei Rachamim Limited regularly supports charitable organisations and institutions both in respect of revenue expenditure and capital projects and there has been a continual call for funding of capital projects together with a concomitant need for increased revenue support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of The Charities Act 2011.

Grants are made to charitable institutions and organisations which conform to the objectives of the charity after the trustees have satisfied themselves as to the bona fides of the recipient.

Achievements and performance

The charity derives its income from voluntary donations received from companies connected with the trustees. During the year under review, it received £1,064,600 (2019: £663,820) from connected companies.

During the year under review £1,107,450 (2019: £769,600) was distributed in furtherance of the charities objectives.

Financial review

The charity had an increase in income from that of the previous year from which it was able to continue to provide grants to those institutions that it supports on a regular basis.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

At the Balance Sheet date the charity had a small deficit in reserves which was subsequently expunged on the receipt of new donations. In the prior year the charity had unrestricted funds of £46,389 all of which are distributable.

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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

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

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

The charity plans continuing the activities outlined above in the coming year subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association. The charity is limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Abraham Klein

Mrs Sarah Klein

Mr Joshua Sternlicht

As set of in the Articles of Association the members of the charity shall not exceed twenty five. There are two classes of members:

- Ordinary members - subscribers and all persons subsequently admitted by the Council to membership.
- Honorary members - persons the Council may admit from time to time with written consent.

No person shall be admitted to the membership of the company as an ordinary member unless:

- He has signed and sent to the Secretary an application for admission framed in such terms as the Council shall from time to time prescribe, and:
- He has been elected to the membership by the Council.

All current trustees are ordinary members and no honorary members have been appointed. The organisation is run by the governors who are the trustees. Every trustee holds office until he/she shall die or shall cease to hold office by virtue of Article 48 of the Articles of Association.

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

Unless and until otherwise determined by the charity the board of trustees (Council) shall consist of not less than three or not more than ten trustees. The Council appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Council shall as soon as practicable fill the vacancy. Three ordinary members present in person shall form a quorum at a general meeting.

None of the trustees have any beneficial interest in the charity.

SHAAREI RACHAMIM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2020*

Auditor

In accordance with the company's articles, a resolution proposing that Cohen Arnold be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

Mr Abraham Klein

Trustee

Dated: 4 October 2021

SHAAREI RACHAMIM LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The trustees, who are also the directors of Shaarei Rachamim Limited for the purpose of company law, 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).

Company 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 and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Opinion

We have audited the financial statements of Shaarei Rachamim Limited (the 'charity') for the year ended 30 September 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Cohen Arnold

4 October 2021

**Chartered Accountants
Statutory Auditor**

New Burlington House
1075 Finchley Road
London
NW11 0PU

SHAAREI RACHAMIM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SHAAREI RACHAMIM LIMITED

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Notes | Unrestricted funds 2020 £ | Unrestricted funds 2019 £ |
|--|--------------|--|--|
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 1,064,600 | 663,820 |
| | | <hr/> | <hr/> |
| <u>Expenditure on:</u> | | | |
| Charitable activities | 4 | 1,111,301 | 773,991 |
| | | <hr/> | <hr/> |
| Net expenditure for the year/ Net movement in funds | | (46,701) | (110,171) |
| Fund balances at 1 October 2019 | | 46,389 | 156,560 |
| | | <hr/> | <hr/> |
| Fund balances at 30 September 2020 | | (312) | 46,389 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SHAAREI RACHAMIM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|-------|-----------|--------|
| Current assets | | | | | |
| Cash at bank and in hand | | 4,665 | | 58,236 | |
| Creditors: amounts falling due within one year | | | | | |
| | 10 | (4,977) | | (11,847) | |
| Net current (liabilities)/assets | | | (312) | | 46,389 |
| Income funds | | | | | |
| Unrestricted funds | | | (312) | | 46,389 |
| | | | (312) | | 46,389 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 4 October 2021

Mr Abraham Klein
Trustee

Mrs Sarah Klein
Trustee

Company Registration No. 03241723

SHAAREI RACHAMIM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|----------|-----------|--------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 12 | | (53,571) | | 11,653 |
| Net cash used in investing activities | | | - | | - |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (53,571) | | 11,653 |
| Cash and cash equivalents at beginning of year | | | 58,236 | | 46,583 |
| Cash and cash equivalents at end of year | | | 4,665 | | 58,236 |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Charity information

Shaarei Rachamim Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is .

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|----------------------------|-------------------------------|-----------------------|
| | 2020 | 2019 |
| | £ | £ |
| Donations and gifts | 1,064,600 | 663,820 |
| | <u>1,064,600</u> | <u>663,820</u> |
| Donations and gifts | | |
| Gift Aid receipts | 1,064,600 | 663,820 |
| | <u>1,064,600</u> | <u>663,820</u> |

4 Charitable activities

| | Grant Making 2020 | Grant Making 2019 |
|--|----------------------------------|-------------------------|
| | £ | £ |
| Grant funding of activities (see note 5) | 1,107,450 | 769,600 |
| Share of support costs (see note 6) | 2,051 | 2,051 |
| Share of governance costs (see note 6) | 1,800 | 2,340 |
| | <u>1,111,301</u> | <u>773,991</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

5 Grants payable

| | Grant Making 2020 £ | Grant Making 2019 £ |
|------------------------------------|--|--|
| Grants to institutions: | | |
| Beth Hamedrash Satmar Trust | 25,000 | 17,800 |
| Beis Ruchel D'Satmar (London) Ltd | 43,000 | 36,000 |
| Beis Aharan Charitable Trust Ltd | 15,000 | - |
| Be'er Yitzchok Trust | 13,000 | 2,000 |
| Chevrass Mo'oz Ladol | 16,000 | 30,000 |
| Congregation V'Yoel Moshe D'Satmar | 9,500 | 17,500 |
| Congregation D'Satmar Limited | 10,000 | 12,000 |
| Egerton Road Trust | 10,000 | 18,000 |
| Ezer Bekuvoid Limited | 32,600 | 18,000 |
| Ezer Leyoldos Limited | 23,600 | 1,000 |
| Ezer Viznitz Foundation | 15,000 | 10,000 |
| Jcoci Educational Foundation Ltd | 13,000 | 1,500 |
| Kollel Torah Veyirah Limited | 13,500 | 14,000 |
| Kollel Viznitz London | 15,000 | - |
| Mercas Chasidei Wiznitz Trust | 15,000 | - |
| Palmcourt Limited | 25,000 | - |
| Tehilois Yoel | 13,000 | 9,000 |
| United Talmudical Associates | 245,500 | 218,800 |
| UTRY | 35,000 | 50,000 |
| Vyoel Moshe Charitable Trust | 17,500 | 15,000 |
| Yeshivo Horomo | 13,000 | 11,200 |
| Yesamach Levav Trust | 36,000 | 35,000 |
| Yetev Lev London Jerusalem Trust | 7,000 | 33,500 |
| Yad Shlomo Trust | 44,800 | - |
| Yeshiva Gedolah Torah Veyirah | 22,500 | 15,000 |
| Other donations below £12,000 | 378,950 | 204,300 |
| | <u>1,107,450</u> | <u>769,600</u> |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Support costs

| | Support costs £ | Governance costs £ | 2020 £ | 2019 £ |
|---|-----------------------|--------------------------|--------------|--------------|
| Accountancy fees | 1,824 | - | 1,824 | 1,824 |
| Bank charges | 40 | - | 40 | 40 |
| Sundry expenses | 187 | - | 187 | 187 |
| Auditors' remuneration | - | 1,800 | 1,800 | 1,800 |
| Non-audit remuneration paid to auditors | - | - | - | 540 |
| | <u>2,051</u> | <u>1,800</u> | <u>3,851</u> | <u>4,391</u> |
| Analysed between | | | | |
| Charitable activities | <u>2,051</u> | <u>1,800</u> | <u>3,851</u> | <u>4,391</u> |

Governance costs includes payments to the auditors of £1,800 (2019- £8,100) for audit fees.

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| Fees payable to the charity's auditor and associates: | 2020 £ | 2019 £ |
|--|-------------------|-------------------|
| Audit of the charity's annual accounts | 1,800 | 1,800 |
| Non-audit services | | |
| Taxation compliance services | - | 540 |

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

| | 2020 Number | 2019 Number |
|-------|------------------------|------------------------|
| Total | - | - |

SHAAREI RACHAMIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

10 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|-----------------|-------|--------|
| | £ | £ |
| Other creditors | 4,977 | 11,847 |

11 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The charity received donations of £1,064,600 from companies with which the trustees are connected. No conditions were attached to any of these donations received.

12 Cash generated from operations

| | 2020 | 2019 |
|---|-----------------|---------------|
| | £ | £ |
| Deficit for the year | (46,701) | (110,171) |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | - | 120,000 |
| (Decrease)/increase in creditors | (6,870) | 1,824 |
| Cash (absorbed by)/generated from operations | (53,571) | 11,653 |

13 Analysis of changes in net funds

The charity had no debt during the year.