

Charity registration number 1063815

Company registration number 3391872 (England and Wales)

KEREM SCHOOLS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

KEREM SCHOOLS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Taylor Esq A Miller Esq D Lichtenstein Esq S. Leek
Secretary	A Miller Esq
Charlty number	1063815
Company number	3391872
Principal address	Norrice Lea London N2 0RE
Registered office	Norrice Lea London N2 0RE
Auditor	BKL Audit LLP 35 Ballards Lane London N3 1XW
Bankers	NatWest Bank plc 1175 Finchley Road London NW11 0BE Santander Bridle Road Bootle Merseyside L30 4GB

KEREM SCHOOLS

CONTENTS

	Page
Trustees' report	1 - 2
Statement of trustees' responsibilities	3
Independent auditor's report	4 - 6
Statement of financial activities	7
Balance sheet	8
Statement of cash flows	9
Notes to the financial statements	10 - 20

KEREM SCHOOLS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, 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 company was founded in June 1997 to take over the operation of a kindergarten (Kerem House) and a primary school known as "Kerem Schools", an orthodox Jewish day school. It commenced its operation on 1 September 1997 when it acquired the assets and liabilities of the Trust which had previously operated the Kerem Schools.

The principal activity of the company is providing education at primary level.

The promotion and development of a balanced orthodox education for Jewish children is the keystone of the charity.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The net expenditure or net movements of funds of the charity was £(66,953) (2020 - £(224,283)), details of which are given in the attached financial statements.

Financial review

The accounts of the company are attached. The school continues to operate well with mostly full classes and expenses well controlled. As with most independent schools, there have been some nationwide issues that have had to be addressed which have caused deficits in the last few years. The school ensured that there were sufficient reserves to cover these issues and is now forecasting surpluses to replenish the reserves.

The governors are responsible for the management of risks faced by the school. The governors routinely consider any perceived risks faced by the school and are assisted in this by the head and other key members of the schools senior management team. Key controls used to identify and control risks during the year include:

- Formal agenda items for governors committee meetings
- Established organisational structure and lines of reporting
- Maintaining appropriate insurance
- Regular review of budgets against actual performance
- Comprehensive strategic planning, budgeting and management accounting

Throughout the process the trustees are satisfied that major risks are identified.

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 reserves policy of the school is driven by the need to ensure the ability to continue providing education to the pupils. Reports following recent regulatory inspections have been excellent. The trustees continue to be fortified in the knowledge that Kerem Schools offer high quality education in a stimulating modern environment.

KEREM SCHOOLS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

The charity is a company limited by guarantee, Charity Registration number 1063815.

The school was run during the year by an excellent team of teachers led by Naomi Simon.

The company and its school are administered by its board of trustees and various sub-committees including the board of governors. The major risks to which the charity is exposed have been reviewed by the trustees and systems are in place to minimise these risks.

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:

J Taylor Esq

D Wolfson Esq

(Resigned 23 December 2020)

A Miller Esq

D Lichtenstein Esq

S. Leek

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees meet on a regular basis. They work with subcommittees which are set up to address and advise on specific issues. All new trustees are subject to a recruitment and induction process and are selected with a view to ensuring that the board has an appropriate balance of experience relevant to Kerem Schools strategic and operational requirements.

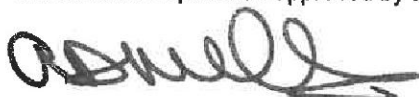
Auditor

During the year, FSPG acted as the auditor to the Charity until 31 March 2022. On 31 March 2022, FSPG transferred its audit business to a new LLP, BKL Audit LLP. The directors consented to treating the appointment of FSPG as extending to BKL Audit LLP with effect from 1 April 2022. Under section 487 (2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members, or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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.



A Miller Esq

Trustee

Dated: 29 June 2022

KEREM SCHOOLS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees, who are also the directors of Kerem Schools 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.

KEREM SCHOOLS

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF KEREM SCHOOLS

Opinion

We have audited the financial statements of Kerem Schools (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, 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 31 August 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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, except to the extent otherwise explicitly stated in our report, 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.

KEREM SCHOOLS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF KEREM SCHOOLS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with directors and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include The Companies Act 2006, and UK Tax legislation.

KEREM SCHOOLS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF KEREM SCHOOLS

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud.

We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Tropp (Senior Statutory Auditor)
for and on behalf of BKL Audit LLP**

29 June 2022

**Chartered Accountants
Statutory Auditor**

35 Ballards Lane
London
N3 1XW

KEREM SCHOOLS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income from:</u>							
Donations and grants	3	49,225	2,372	51,597	177,425	56,842	234,267
Income from charitable activities	4	1,834,339	-	1,834,339	1,804,215	-	1,804,215
Income from investments	5	510	-	510	3,521	-	3,521
Total income		1,884,074	2,372	1,886,446	1,985,161	56,842	2,042,003
<u>Expenditure on:</u>							
Charitable activities	6	1,951,205	2,194	1,953,399	2,203,882	62,404	2,266,286
Net (expenditure)/income for the year/ Net movement in funds		(67,131)	178	(66,953)	(218,721)	(5,562)	(224,283)
Fund balances at 1 September 2020		728,231	3,283	731,514	946,952	8,845	955,797
Fund balances at 31 August 2021		661,100	3,461	664,561	728,231	3,283	731,514

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.

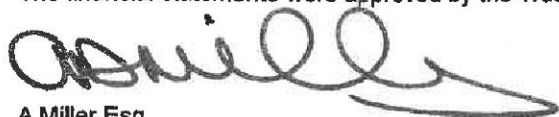
KEREM SCHOOLS

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		9,500		15,500
Current assets					
Debtors	10	493,804		472,548	
Cash at bank and in hand		1,290,103		1,206,477	
		<u>1,783,907</u>		<u>1,679,025</u>	
Creditors: amounts falling due within one year	11	<u>(834,888)</u>		<u>(669,696)</u>	
Net current assets			949,019		1,009,329
Total assets less current liabilities			958,519		1,024,829
Creditors: amounts falling due after more than one year	12		(293,958)		(293,315)
Net assets			<u>664,561</u>		<u>731,514</u>
Income funds					
Restricted funds	14		3,461		3,283
Unrestricted funds			661,100		728,231
			<u>664,561</u>		<u>731,514</u>

The financial statements were approved by the Trustees on 29 June 2022



A Miller Esq
Trustee

Company registration number 3391872

KEREM SCHOOLS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		83,116		(309,135)
Investing activities					
Investment income received		510		3,521	
Net cash generated from investing activities			510		3,521
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			83,626		(305,614)
Cash and cash equivalents at beginning of year			1,206,477		1,512,091
Cash and cash equivalents at end of year			<u>1,290,103</u>		<u>1,206,477</u>

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity Information

Kerem Schools is a private company limited by guarantee incorporated in England and Wales. The registered office is Norrice Lea, London, N2 0RE.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, 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 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.

1.4 Income

Fees receivable less any allowances, scholarships and bursaries granted against by the school against those fees are accounted for in the year in which the service is provided.

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.

Government grant income represents the total amount claimed from HM Revenue and Customs under the Coronavirus Job Retention Scheme (CJRS). This income is accounted for in the year in which the associated payments are made to furloughed staff.

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are accounted for an accrual basis and included attributable VAT which cannot be recovered. All costs have been directly attributable to one of the functional categories of the resources expended in the statement of financial statements.

Governance costs relate to compliance with constitutional and statutory requirements of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property and improvements	over lease term
Equipment & computers	20% - 30% per annum straight line basis
Furniture & fittings	over 7 years
Motor vehicles	25% per annum on reducing basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 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.

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Debtors

School fee and other debtors are recognised at the settlement amount due after any trade discounts offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.13 Creditors and provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

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 grants

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	36,956	2,372	39,328	18,682	56,842	75,524
Job retention scheme grant	12,269	-	12,269	158,743	-	158,743
	<u>49,225</u>	<u>2,372</u>	<u>51,597</u>	<u>177,425</u>	<u>56,842</u>	<u>234,267</u>

4 Income from charitable activities

	School fees and other income (all unrestricted) 2021 £	School fees and other income (all unrestricted) 2020 £
School fees and other income	<u>1,834,339</u>	<u>1,804,215</u>

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Income from investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	510	3,521

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

6 Charitable activities

	2021 £	2020 £
Staff costs	1,545,489	1,687,664
Depreciation	6,000	6,000
Teaching	103,352	167,572
Training	4,798	13,915
Catering	81,661	92,992
Legal & Professional fees	15,008	13,466
Premises	179,691	265,998
General administrative expenses	-	500
	<u>1,935,999</u>	<u>2,248,107</u>
Share of support costs (see below)	11,200	11,979
Share of governance costs (see below)	6,200	6,200
	<u>1,953,399</u>	<u>2,266,286</u>
For the year ended 31 August 2021		
Analysis by fund		
Unrestricted funds	1,951,205	
Restricted funds	2,194	
	<u>1,953,399</u>	
For the year ended 31 August 2020		
Analysis by fund		
Unrestricted funds		2,203,882
Restricted funds		62,404
		<u>2,266,286</u>

Support costs includes administrative costs such as telephone, bank charges and other similar costs.

Governance costs includes payments to the auditors of £5,400 (2020 - £5,400) for audit fees and £800 of other costs (2020 - £800).

7 Trustees

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

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
School	49	50
Employment costs	2021 £	2020 £
Wages and salaries	1,248,835	1,369,140
Social security costs	96,480	110,908
Other pension costs	200,174	207,616
	1,545,489	1,687,664

Included in wages and salaries is redundancy payment of £15,624 (2020 - £Nil).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£70,001 - £80,000	1	1

Contributions totalling £17,960 (2020 - £17,479) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

Of the employees whose emoluments exceed £60,000, 1 (2020 - 1) have retirement benefits accruing

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Tangible fixed assets

	Leasehold property and improvements	Equipment & computers	Furniture & fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	580,250	79,064	28,280	30,000	717,594
At 31 August 2021	580,250	79,064	28,280	30,000	717,594
Depreciation and impairment					
At 1 September 2020	580,250	79,064	28,280	14,500	702,094
Depreciation charged in the year	-	-	-	6,000	6,000
At 31 August 2021	580,250	79,064	28,280	20,500	708,094
Carrying amount					
At 31 August 2021	-	-	-	9,500	9,500
At 31 August 2020	-	-	-	15,500	15,500

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Debtors and payments in advance	423,912	459,216
Prepayments	69,892	13,332
	<u>493,804</u>	<u>472,548</u>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	22,474	28,366
Deposits	35,093	64,342
Fees for next year	694,358	553,522
Accruals and other creditors	82,963	23,466
	<u>834,888</u>	<u>669,696</u>

12 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Deposits	<u>293,958</u>	<u>293,315</u>

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £200,174 (2020 - £207,616).

The charity has 2 pension schemes, Teachers Pension Scheme (TPS) for teachers and Nest for other staff.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 1 September 2020	Incoming resources	Resources expended	Balance at 31 August 2021
	£	£	£	£	£	£	£
Donations raised from 'An Evening of Wishes' Playground area	8,845	-	(8,845)	-	-	-	-
Jewish interactive programme	-	42,000	(42,000)	-	-	-	-
Sponsored reading	-	10,000	(10,000)	-	-	-	-
STP Grant	-	2,142	(657)	1,485	1,872	(2,194)	1,163
Bikes	-	1,200	(402)	798	-	-	798
Staff tea	-	1,000	-	1,000	-	-	1,000
	-	500	(500)	-	500	-	500
	<u>8,845</u>	<u>56,842</u>	<u>(62,404)</u>	<u>3,283</u>	<u>2,372</u>	<u>(2,194)</u>	<u>3,461</u>

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Fund balances at 31 August 2021 are represented by:						
Tangible assets	9,500	-	9,500	15,500	-	15,500
Current assets/ (liabilities)	945,558	3,461	949,019	1,006,046	3,283	1,009,329
Long term liabilities	(293,958)	-	(293,958)	(293,315)	-	(293,315)
	<u>661,100</u>	<u>3,461</u>	<u>664,561</u>	<u>728,231</u>	<u>3,283</u>	<u>731,514</u>

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>94,795</u>	<u>91,291</u>

Transactions with related parties

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

The aggregate fees received from the trustees was £11,200 (2020 - £19,280).

The aggregate donations received from the trustees during the year was £500 (2020 - £Nil) .

KEREM SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17	Cash generated from operations	2021 £	2020 £
	Deficit for the year	(66,953)	(224,283)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(510)	(3,521)
	Depreciation and impairment of tangible fixed assets	6,000	6,000
	Movements in working capital:		
	(Increase)/decrease in debtors	(21,256)	117,714
	Increase/(decrease) in creditors	165,835	(205,045)
	Cash generated from/(absorbed by) operations	<u>83,116</u>	<u>(309,135)</u>
18	Analysis of changes in net funds		
	The charity had no debt during the year.		