

**REGISTERED COMPANY NUMBER: 03391872 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1063815**

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**  
**FOR**  
**KEREM SCHOOLS**

Raffingers LLP, Statutory Auditor  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

**KEREM SCHOOLS**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2023**

	<b>Page</b>
<b>Report of the Trustees</b>	1 to 5
<b>Report of the Independent Auditors</b>	6 to 9
<b>Statement of Financial Activities</b>	10
<b>Balance Sheet</b>	11
<b>Cash Flow Statement</b>	12
<b>Notes to the Cash Flow Statement</b>	13
<b>Notes to the Financial Statements</b>	14 to 21

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

**a. Policies and objectives**

The Charity was founded in June 1997 to take over the operation of a kindergarten (Kerem House) and a primary school known as "Kerem Schools", a modern 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 School.

1. The principal activity of the charity is providing education at primary level.
2. The promotion and development of a balanced modern orthodox education for Jewish children is a cornerstone of the charity.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

**b. Strategies for achieving objectives**

The charity ensures that its resources are focused towards the recruitment and retention of high quality staff ensuring that the ethos of the school is continued and that the children receive a very good education within a modern orthodox background.

**c. Activities undertaken to achieve objectives**

The promotion and development of a balanced orthodox education for Jewish children is the keystone of the charity. This is the main activity which is undertaken to further the Charity's purposes for the public benefit.

**d. Main activities undertaken to further the Charity's purposes for the public benefit**

The charity operates the school known as Kerem school mainly for the benefit of local children.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2023**

**ACHIEVEMENT AND PERFORMANCE**

**Achievements and Performance**

**a. Main achievements of the Charity**

The school continues to operate well with mostly full classes and expenses well controlled.

During the year, two major improvement projects were undertaken - new playground equipment for the early years unit and the building of a STEAM (science, technology, art, engineering and maths) Lab. The lab, which opened in September 2023, greatly enhances the childrens' learning with many opportunities to use new and different equipment. Both of these were well received by the staff and the pupils.

**b. Key performance indicators**

The key performance indicators used by the charity are:

- ~ Attendance at the school.
- ~ Results of regulatory inspections.
- ~ Income in the year relative to expenditure.
- ~ Adequacy of its reserves.

**c. Review of activities**

The charity continued in its pursuit in the provision of an exceptional orthodox education, and spent £2,341,489 directly towards that end (2022- £2,047,764). Of this amount, £1,662,235 (2022- £1,431,603) related directly to staff. The charity made a small surplus and was able to increase its net reserves to £910,080 (2022- £857,742).

**d. Factors relevant to achieve objectives**

The main factors relevant to the Charity's ability to achieve its objectives are as follows:

- ~ The adequacy of its financial reserves.
- ~ The ability of the school to recruit and retain competent and experienced staff members.
- ~ The ability of the school to continue to receive exceptional feedback from its regulator.

**e. Fundraising activities and income generation**

The main income generation of the school is via fees. During the year there was also a campaign to raise funds for the refurbishment of the Early Years Unit playground and the STEAM Lab referred to above.

**f. Investment policy and performance**

Any surplus funds at any time are held in an interest bearing deposit account in order to generate funds to help fund charitable activities and any future projects.

**FINANCIAL REVIEW**

**Investment policy and objectives**

Under its Memorandum of Association, the charity has the power to invest in any way the trustees wish.

**Reserves policy**

The reserves policy of the school is driven by the need to ensure the ability to continue providing a modern Jewish 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.

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge the funding gaps between spending on activities and receiving resources through donations and parental contributions. The trustees consider the ideal level of reserves at 31 August 2023 would be three months of resources which would be approximately £600,000.

The free reserves (total reserves less restricted funds and fixed assets) as at 31 August 2023 were £772,921.

**FUTURE PLANS**

The charity plans to run the school at its current pupil levels continuing to ensure the current high standards at the school.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is a company limited by guarantee without share capital and incorporated on 25 June 1997 and registered as a charity on 6 August 1997.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

**Recruitment and appointment of new trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. 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.

Trustees may be appointed by the existing trustees at any time, either to fill a casual vacancy or as an addition to the existing trustees. Any trustees so appointed will hold office only until the next Annual General Meeting and will then be eligible for re-election. No trustee had any beneficial interest in any contract with the charitable entity during the year.

**Organisational structure**

The school was run during the year by an excellent team of teachers led by Naomi Simon. The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff.

The Charity 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.

**Induction and training of new trustees**

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.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

**Principal risks and uncertainties**

The Trustees regularly undertake a review of the major risks to which the Charity is exposed, and systems designed to mitigate those risks are considered on an ongoing basis.

The Trustees recognise the absolute necessity of ensuring the protection and safety of all those that the charity serves. This means that the trustees, employees of the school and all those who work or volunteer for the school and work with children must obtain clearance from the Disclosure and Barring Service. The school has developed a safeguarding policy and one of the trustees is responsible for ensuring this policy is adhered to. Safeguarding training is compulsory for all staff.

**The key risks identified by management are as follows:**

~ Reputation -The school's success is built on its reputation for the education and well being of pupils. Risk is managed through various policies including safeguarding, staff recruitment and health and safety. The management of the school are continually investigating additional ways to teach and implementing them as soon as they are available.

~ Funding -The ability for the school to continue is reliant on pupil fees and the ability of the school to pay bills as they fall due. The risk is managed by controls put in place by the management and trustees and a modern orthodox ethos in the school.

**Financial risk management objectives and policies**

The trustees 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 financial 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.

**Principal funding**

The principal source of funding is fees for the school year.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03391872 (England and Wales)

**Registered Charity number**

1063815

**Registered office**

Kerem School  
Norrice Lea  
London  
N2 0RE

**Trustees**

Mrs S Abrahams (appointed 17.10.23)

Mr A D Miller

Mr J D Taylor

Ms S Leek Trustee (resigned 17.10.23)

Mr D Lichtenstein Trustee (resigned 29.3.23)

**Company Secretary**

Mr A D Miller

**Senior Statutory Auditor**

Mr Yedidya Zaiden, FCCA

**REPORT OF THE TRUSTEES**  
**for the year ended 31 August 2023**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Auditors**

Raffingers LLP, Statutory Auditor  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

**PUBLIC BENEFIT REPORT**

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and 'The Advancement of Religion for the Public Benefit' in particular, when reviewing the aim and objectives and in planning the charity's future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives set.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Kerem Schools for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Raffingers LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24 May 2024 and signed on its behalf by:

Mr A D Miller - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KEREM SCHOOLS**

### **Opinion**

We have audited the financial statements of Kerem Schools (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**KEREM SCHOOLS**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KEREM SCHOOLS**

### **Our 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 a Report of the Independent Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); Employment Law; Data Protection Legislation; The Code of Fundraising Practice; and Safeguarding Regulations as they affect the direct charitable activities of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where necessary.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected transactions;
- tested the appropriateness of journal entries;
- tested authorisation of expenditure;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

To address the risk that revenue could be misstated due to fraud, we:

- we obtained an understanding of the company's revenue recognition policies and compared these to the accounting standard;
- performed a walkthrough to confirm our understanding of the processes and controls through which the business initiates, records, processes and reports revenue transactions;
- tested a sample of revenue transactions to supporting evidence.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
KEREM SCHOOLS**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**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.

Mr Yedidya Zaiden, FCCA (Senior Statutory Auditor)  
for and on behalf of Raffingers LLP, Statutory Auditor  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

24 May 2024

**KEREM SCHOOLS****STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 31 August 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	12,079	36,944	49,023	54,308
<b>Charitable activities</b>					
Provision of education	4	2,312,314	412	2,312,726	2,192,807
Investment income	3	14,578	-	14,578	500
Other income		17,500	-	17,500	-
<b>Total</b>		<u>2,356,471</u>	<u>37,356</u>	<u>2,393,827</u>	<u>2,247,615</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Provision of education	5	<u>2,335,652</u>	<u>5,837</u>	<u>2,341,489</u>	<u>2,047,764</u>
<b>NET INCOME</b>		20,819	31,519	52,338	199,851
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		800,505	57,237	857,742	657,891
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>821,324</u></u>	<u><u>88,756</u></u>	<u><u>910,080</u></u>	<u><u>857,742</u></u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**KEREM SCHOOLS (REGISTERED NUMBER: 03391872)**

**BALANCE SHEET**

**31 August 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	48,403	85,683	134,086	24,845
<b>CURRENT ASSETS</b>					
Debtors	12	316,343	-	316,343	235,482
Cash at bank and in hand		1,901,526	3,073	1,904,599	1,872,274
		<u>2,217,869</u>	<u>3,073</u>	<u>2,220,942</u>	<u>2,107,756</u>
<b>CREDITORS</b>					
Amounts falling due within one year	13	(1,046,744)	-	(1,046,744)	(904,655)
<b>NET CURRENT ASSETS</b>		<u>1,171,125</u>	<u>3,073</u>	<u>1,174,198</u>	<u>1,203,101</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,219,528	88,756	1,308,284	1,227,946
<b>CREDITORS</b>					
Amounts falling due after more than one year	14	(398,204)	-	(398,204)	(370,204)
<b>NET ASSETS</b>		<u>821,324</u>	<u>88,756</u>	<u>910,080</u>	<u>857,742</u>
<b>FUNDS</b>	15				
Unrestricted funds				821,324	800,505
Restricted funds				<u>88,756</u>	<u>57,237</u>
<b>TOTAL FUNDS</b>				<u>910,080</u>	<u>857,742</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 24 May 2024 and were signed on its behalf by:

Mr A D Miller - Trustee

The notes form part of these financial statements

**KEREM SCHOOLS**

**CASH FLOW STATEMENT**  
**for the year ended 31 August 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	115,140	583,060
Interest paid		(1,383)	(1,406)
Net cash provided by operating activities		<u>113,757</u>	<u>581,654</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(117,010)	-
Sale of tangible fixed assets		21,000	-
Interest received		14,578	517
Net cash (used in)/provided by investing activities		<u>(81,432)</u>	<u>517</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>32,325</u>	<u>582,171</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,872,274</u>	<u>1,290,103</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>1,904,599</u></u>	<u><u>1,872,274</u></u>

The notes form part of these financial statements

**KEREM SCHOOLS**

**NOTES TO THE CASH FLOW STATEMENT**  
**for the year ended 31 August 2023**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023	2022
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	52,338	199,851
<b>Adjustments for:</b>		
Depreciation charges	4,269	11,336
Profit on disposal of fixed assets	(17,500)	-
Interest received	(14,578)	(517)
Interest paid	1,383	1,406
	-	2,486
(Increase)/decrease in debtors	(80,861)	224,988
Increase in creditors	170,089	143,510
<b>Net cash provided by operations</b>	<u>115,140</u>	<u>583,060</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.22	Cash flow	At 31.8.23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	1,872,274	32,325	1,904,599
	<u>1,872,274</u>	<u>32,325</u>	<u>1,904,599</u>
<b>Total</b>	<u>1,872,274</u>	<u>32,325</u>	<u>1,904,599</u>

The notes form part of these financial statements

## **KEREM SCHOOLS**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the year ended 31 August 2023**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **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.

##### **Legal status of the Charity**

The charity is a private company limited by guarantee incorporated in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### **Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

##### **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 allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

##### **Charitable activities**

The cost of charitable activities comprises those incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### **Governance costs**

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to the strategic management of the charity.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 August 2023**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following bases:

Long-term leasehold property - Over lease term

Improvements to property- 20% per annum on reducing balance (not in first year)

Playground equipment- 20% per annum on reducing balance (not in first year)

Motor vehicles - 25% per annum on reducing balance

**Taxation**

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of settlement can be estimated reliably.

**Financial instruments**

**KEREM SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 August 2023**

**1. ACCOUNTING POLICIES - continued**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

**Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

**Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**2. DONATIONS AND LEGACIES**

	2023	2022
	£	£
Donations	49,023	54,308

**3. INVESTMENT INCOME**

	2023	2022
	£	£
Deposit account interest	14,578	500

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	2023	2022
		£	£
Provision of education	Provision of education	2,312,726	2,189,594
Grants	Provision of education	-	3,213
		<u>2,312,726</u>	<u>2,192,807</u>

**KEREM SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 August 2023**

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 6) £	Totals £
Provision of education	2,071,266	270,223	2,341,489

**6. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Provision of education	255,223	15,000	270,223

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Depreciation - owned assets	4,269	11,336
Surplus on disposal of fixed assets	(17,500)	-

**8. AUDITORS' REMUNERATION**

	2023 £	2022 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	11,400	6,000

There were fees payable to Raffingers LLP of £3,600 for non audit services.

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

**10. STAFF COSTS**

	2023 £	2022 £
Wages and salaries	1,264,348	1,163,446
Social security costs	116,846	98,806
Other pension costs	281,041	169,351
	1,662,235	1,431,603

**KEREM SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 August 2023**

**10. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	2023	2022
Teaching	40	40
Administration and support	8	8
	<u>48</u>	<u>48</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

**11. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Playground equipment £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 September 2022	580,250	-	33,351	30,000	643,601
Additions	-	49,084	67,926	-	117,010
Disposals	-	-	-	(30,000)	(30,000)
	<u>580,250</u>	<u>49,084</u>	<u>101,277</u>	<u>-</u>	<u>730,611</u>
At 31 August 2023	580,250	49,084	101,277	-	730,611
<b>DEPRECIATION</b>					
At 1 September 2022	580,250	-	12,006	26,500	618,756
Charge for year	-	-	4,269	-	4,269
Eliminated on disposal	-	-	-	(26,500)	(26,500)
	<u>580,250</u>	<u>-</u>	<u>16,275</u>	<u>-</u>	<u>596,525</u>
At 31 August 2023	580,250	-	16,275	-	596,525
<b>NET BOOK VALUE</b>					
At 31 August 2023	<u>-</u>	<u>49,084</u>	<u>85,002</u>	<u>-</u>	<u>134,086</u>
At 31 August 2022	<u>-</u>	<u>-</u>	<u>21,345</u>	<u>3,500</u>	<u>24,845</u>

**KEREM SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 August 2023**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	261,315	205,227
Other debtors	249	-
Prepayments and accrued income	54,779	30,255
	<u>316,343</u>	<u>235,482</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade creditors	57,011	53,228
Social security and other taxes	-	21,479
Other creditors	76,586	76,980
Accruals and deferred income	782,202	728,902
Accrued expenses	130,945	24,066
	<u>1,046,744</u>	<u>904,655</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Deposits	<u>398,204</u>	<u>370,204</u>

**15. MOVEMENT IN FUNDS**

	At 1.9.22	Net movement in funds	At 31.8.23
	£	£	£
<b>Unrestricted funds</b>			
General fund	800,505	20,819	821,324
<b>Restricted funds</b>			
Big grant	53,808	6,875	60,683
Steam room	-	25,000	25,000
Staff gifts	-	112	112
School equipment	468	(468)	-
Sponsored readings	1,163	-	1,163
STP grant	798	-	798
Bikes	1,000	-	1,000
	<u>57,237</u>	<u>31,519</u>	<u>88,756</u>
<b>TOTAL FUNDS</b>	<u>857,742</u>	<u>52,338</u>	<u>910,080</u>

**KEREM SCHOOLS**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 August 2023**

**15. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,356,471	(2,335,652)	20,819
<b>Restricted funds</b>			
Big grant	6,875	-	6,875
IT equipment	5,000	(5,000)	-
Sports Equipment	69	(69)	-
Steam room	25,000	-	25,000
Staff gifts	412	(300)	112
School equipment	-	(468)	(468)
	<u>37,356</u>	<u>(5,837)</u>	<u>31,519</u>
<b>TOTAL FUNDS</b>	<u><u>2,393,827</u></u>	<u><u>(2,341,489)</u></u>	<u><u>52,338</u></u>

**Comparatives for movement in funds**

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
<b>Unrestricted funds</b>			
General fund	654,430	146,075	800,505
<b>Restricted funds</b>			
Restricted Funds	3,461	53,776	57,237
	<u>657,891</u>	<u>199,851</u>	<u>857,742</u>
<b>TOTAL FUNDS</b>	<u><u>657,891</u></u>	<u><u>199,851</u></u>	<u><u>857,742</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,193,339	(2,047,264)	146,075
<b>Restricted funds</b>			
Restricted Funds	54,276	(500)	53,776
	<u>2,247,615</u>	<u>(2,047,764)</u>	<u>199,851</u>
<b>TOTAL FUNDS</b>	<u><u>2,247,615</u></u>	<u><u>(2,047,764)</u></u>	<u><u>199,851</u></u>

Unrestricted funds represent funds available to the trustees for the general purposes of the charity.

**Restricted funds**

During the year, the charity received donations and grants to be applied for specific purposes as listed below:

## **KEREM SCHOOLS**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the year ended 31 August 2023**

#### **15. MOVEMENT IN FUNDS - continued**

**Big grant** - This fund is used for the development of a new playground.

**IT equipment** - This fund is used for the purchase of school IT equipment.

**Steam room** - This fund is used for a classroom refurbishment.

**Staff gifts** - This fund is used for staff gifts and refreshments.

**School equipment** - This fund is used for the purchase of school equipment.

**Sponsored readings** - This fund is used for sponsored readings.

**STP Grant** - This fund is used for a school travel plan which encourages the children to walk to school.

**Bikes** - This is a fund used to buy balance bikes for the Early Years Unit.

#### **16. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year under review. During the previous year, the charity received fee income from certain of the trustees of £7,940.

#### **17. AUDITOR LIABILITY LIMITATION AGREEMENT**

The charity has entered into a liability limitation agreement with Raffingers, the statutory auditor, in respect of the statutory audit for the year ended 31 August 2023. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements.

#### **18. RETIRED BENEFIT 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 £281,041 (2022: £169,351).

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 at 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 asset to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purpose and the contributions recognised in the period to which they relate.