

Heichal Hatorah

Unaudited Financial Statements

31 March 2024

WHITESIDE AND DAVIES LTD

Chartered Certified Accountants

158 Cromwell Road

Salford

M6 6DE

Heichal Hatorah

Financial Statements

Year ended 31 March 2024

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Heichal Hatorah

Trustees' Annual Report

Year ended 31 March 2024

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2024.

Reference and administrative details

Registered charity name	Heichal Hatorah
Charity registration number	1095687
Principal office	24 ROSTON ROAD Salford M7 4FS

The trustees

Rabbi A Hassan
Mr C Kahn
Mr D Greenblatt
Mr M Brunner

Independent examiner	Chaim Frenkel FCCA 158 Cromwell Road Salford M6 6DE
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Structure, governance and management

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

Objectives and activities

The main objectives of the charity are:

- 1) The furtherance of authentic Torah education.
- 2) The relief of poverty of Jewish people who are in need by virtue of their necessitous circumstances particularly by the provision of financial assistance, grants or similar means at the discretion of the trustees.
- 3) For such other charitable purposes as the trustees in their absolute discretion think fit. The above objects were continued during the year and it is envisaged that these will continue in the following year.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The trustees are satisfied that the funds are used wholly for the activities of the charity in furtherance of its objects stated above.

Heichal Hatorah

Trustees' Annual Report *(continued)*

Year ended 31 March 2024

Achievements and performance

During the year the charity received £601,547 in donations (2023: £674,960) and £641,540 (2023: £544,287) was spent in furtherance of its charitable objectives. It made a net deficit for the year of £39,358 (2023: £130,673 surplus).

The trustees express their gratitude to the local community for their continued support to the organisation and its participants.

The charity continued running and maintaining the academy known as "Kollel Heichal Hatorah" of which the majority of its cost are wages and salaries to the scholars and lecturers totalling £355,226 for the year (2023: £329,781). Further details about the charity can be found on the their website at www.heichalhatorah.com.

The charity continued to use the building in which the studies and lectures take place. The charity operates at 45 Bury Old Rd, Prestwich, Manchester M25 0EY.

Financial review

The balance of the unrestricted funds is a surplus of £719,880 (2023 - £759,239). The trustees consider that the results set out in the attached accounts are satisfactory. They are of the opinion that the balance on the reserves are sufficient to meet any future commitments under the terms of funding.

The trustees' annual report was approved on 28 January 2025 and signed on behalf of the board of trustees by:

Mr C Kahn
Trustee

Heichal Hatorah

Independent Examiner's Report to the Trustees of Heichal Hatorah

Year ended 31 March 2024

I report to the trustees on my examination of the financial statements of Heichal Hatorah ('the charity') for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Chaim Frenkel FCCA
Independent Examiner

158 Cromwell Road
Salford
M6 6DE

Heichal Hatorah

Statement of Financial Activities

Year ended 31 March 2024

		2024		2023
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Donations and legacies	4	601,547	601,547	674,680
Investment income	5	635	635	280
Total income		<u>602,182</u>	<u>602,182</u>	<u>674,960</u>
Expenditure				
Expenditure on raising funds:				
Costs of raising donations and legacies	6	18,968	18,968	153,651
Expenditure on charitable activities	7,8	622,572	622,572	390,636
Total expenditure		<u>641,540</u>	<u>641,540</u>	<u>544,287</u>
Net (expenditure)/income and net movement in funds		<u>(39,358)</u>	<u>(39,358)</u>	<u>130,673</u>
Reconciliation of funds				
Total funds brought forward		759,238	759,238	628,565
Total funds carried forward		<u>719,880</u>	<u>719,880</u>	<u>759,238</u>

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

The notes on pages 7 to 15 form part of these financial statements.

Heichal Hatorah

Statement of Financial Position

31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	15	846,216	844,033
Current assets			
Debtors	16	11,655	1,134
Cash at bank and in hand		39,766	101,503
		<u>51,421</u>	<u>102,637</u>
Creditors: amounts falling due within one year	17	<u>22,866</u>	<u>23,726</u>
Net current assets		<u>28,555</u>	<u>78,911</u>
Total assets less current liabilities		<u>874,771</u>	<u>922,944</u>
Creditors: amounts falling due after more than one year	18	<u>154,891</u>	<u>163,706</u>
Net assets		<u><u>719,880</u></u>	<u><u>759,238</u></u>
Funds of the charity			
Unrestricted funds		<u>719,880</u>	<u>759,238</u>
Total charity funds	19	<u><u>719,880</u></u>	<u><u>759,238</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 28 January 2025, and are signed on behalf of the board by:

Mr C Kahn
Trustee

The notes on pages 7 to 15 form part of these financial statements.

Heichal Hatorah

Statement of Cash Flows

Year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net (expenditure)/income	(39,358)	130,673
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	3,698	2,982
Other interest receivable and similar income	(635)	(280)
Interest payable and similar charges	15,814	4,880
Accrued expenses/(income)	600	(17,461)
<i>Changes in:</i>		
Trade and other debtors	(10,521)	–
Trade and other creditors	(1,460)	(2,243)
Cash generated from operations	(31,862)	118,551
Interest paid	(15,814)	(4,880)
Interest received	635	280
Net cash (used in)/from operating activities	(47,041)	113,951
Cash flows from investing activities		
Purchase of tangible assets	(5,880)	(19,847)
Net cash used in investing activities	(5,880)	(19,847)
Cash flows from financing activities		
Proceeds from borrowings	(8,815)	(17,527)
Net cash used in financing activities	(8,815)	(17,527)
Net (decrease)/increase in cash and cash equivalents	(61,736)	76,577
Cash and cash equivalents at beginning of year	101,503	24,926
Cash and cash equivalents at end of year	39,767	101,503

The notes on pages 7 to 15 form part of these financial statements.

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Notes to the Financial Statements

Year ended 31 March 2024

1. General information

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

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

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

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Library	- 15% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Donations				
Donations type 1	601,547	601,547	674,680	674,680

5. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Bank interest receivable type 1	635	635	280	280

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

6. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Costs of raising donations and legacies - Donations	<u>18,968</u>	<u>18,968</u>	<u>153,651</u>	<u>153,651</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Activity type 1	536,726	536,726	329,782	329,782
Support costs	<u>85,846</u>	<u>85,846</u>	<u>60,854</u>	<u>60,854</u>
	<u>622,572</u>	<u>622,572</u>	<u>390,636</u>	<u>390,636</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2024 £	Total fund 2023 £
Activity type 1	355,726	181,000	82,726	619,452	389,636
Governance costs	—	—	<u>3,120</u>	<u>3,120</u>	<u>1,000</u>
	<u>355,726</u>	<u>181,000</u>	<u>85,846</u>	<u>622,572</u>	<u>390,636</u>

9. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2024 £	Total 2023 £
Staff costs	2,501	2,501	—
Premises	12,706	12,706	9,654
Communications and IT	905	905	550
General office	35,359	35,359	39,683
Human resources	8,319	8,319	—
Finance costs	15,814	15,814	4,880
Governance costs	3,120	3,120	1,000
Depreciation	3,698	3,698	2,982
Insurance	<u>3,424</u>	<u>3,424</u>	<u>4,805</u>
	<u>85,846</u>	<u>85,846</u>	<u>63,554</u>

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

10. Analysis of grants

	2024 £	2023 £
Grants to institutions		
RHTR	171,000	–
Jewish Education	10,000	–
Grants to institutions type 3	–	124,500
	<u>181,000</u>	<u>124,500</u>
Total grants	<u>181,000</u>	<u>124,500</u>

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees

11. Net (expenditure)/income

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

	2024 £	2023 £
Depreciation of tangible fixed assets	<u>3,698</u>	<u>2,982</u>

12. Independent examination fees

	2024 £	2023 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,400</u>	<u>1,800</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024 £	2023 £
Wages and salaries	<u>357,727</u>	<u>329,782</u>

The average head count of employees during the year was 45 (2023: 42). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Number of teachers and scholars	42	39
Number of Administrative Staff	2	2
Head	1	1
	<u>45</u>	<u>42</u>

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

Heichal Hatorah

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	User defined asset £	Total £
Cost					
At 1 April 2023	828,614	3,436	3,000	14,839	849,889
Additions	–	5,530	–	350	5,880
At 31 March 2024	<u>828,614</u>	<u>8,966</u>	<u>3,000</u>	<u>15,189</u>	<u>855,769</u>
Depreciation					
At 1 April 2023	–	2,349	1,280	2,226	5,855
Charge for the year	–	1,323	430	1,945	3,698
At 31 March 2024	<u>–</u>	<u>3,672</u>	<u>1,710</u>	<u>4,171</u>	<u>9,553</u>
Carrying amount					
At 31 March 2024	<u>828,614</u>	<u>5,294</u>	<u>1,290</u>	<u>11,018</u>	<u>846,216</u>
At 31 March 2023	<u>828,614</u>	<u>1,087</u>	<u>1,720</u>	<u>12,613</u>	<u>844,034</u>

16. Debtors

	2024 £	2023 £
Other debtors	<u>11,655</u>	<u>1,134</u>

17. Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	600	–
Social security and other taxes	2,466	1,976
Other creditors	19,800	21,750
	<u>22,866</u>	<u>23,726</u>

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

	2024 £	2023 £
Bank loans and overdrafts	<u>154,891</u>	<u>163,706</u>

Included within creditors: amounts falling due after more than one year is an amount of £129,122 (2023: £128,660) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Heichal Hatorah

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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

The charity has a bank loan secured on the charity's property, with an interest rate of 3.75% above base rate. At the year end it had a balance of £129,122. The loan is payable by monthly installments of capital and interest.

19. Analysis of charitable funds

Unrestricted funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 20 24 £
General funds	759,238	602,182	(641,540)	719,880

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 20 23 £
General funds	628,565	674,960	(544,287)	759,238

20. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	846,216	846,216
Current assets	51,421	51,421
Creditors less than 1 year	(22,866)	(22,866)
Creditors greater than 1 year	(154,891)	(154,891)
Net assets	719,880	719,880

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	844,034	844,034
Current assets	102,637	102,637
Creditors less than 1 year	(23,726)	(23,726)
Creditors greater than 1 year	(163,707)	(163,707)
Net assets	759,238	759,238

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

21. Analysis of changes in net debt

	At 1 Apr 2023	Cash flows	At 31 Mar 2024
	£	£	£
Cash at bank and in hand	101,503	(61,737)	39,766
Debt due after one year	(163,706)	8,815	(154,891)
	<u>(62,203)</u>	<u>(52,922)</u>	<u>(115,125)</u>