

Chortkov Trust
Unaudited Financial Statements
31 August 2021

HAFFNER HOFF LTD

Accountants
2nd Floor - Parkgates
Bury New Road
Prestwich
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Chortkov Trust

Financial Statements

Year ended 31 August 2021

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Chortkov Trust

Trustees' Annual Report

Year ended 31 August 2021

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

Reference and administrative details

Registered charity name	Chortkov Trust
Charity registration number	1099355
Principal office	32 Winders Way Salford University Business Park Salford M6 6AR

The trustees

C Getter
S Halpern
M Halpern

Independent examiner	Mr Howard Schwalbe ACA 2nd Floor - Parkgates Bury New Road Prestwich Manchester M25 0TL
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Chortkov Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Structure, governance and management

Chortkov Trust is constituted under a deed dated 17 June 2003. It is a registered charity number 1099355, registered on the 10 September 2003.

Recruitment and appointment of new trustees would be in line with the Trust Deed and with the consent of the trustees. The criteria set for the suitable candidate would be someone who is sensitive to the needs and demands of the organisation.

There is no chief executive officer. The day-to-day affairs are undertaken by Ms Yeung on behalf of the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees.

A policy and procedure for the induction and training of new trustees is currently being developed and will be implemented in the coming year.

Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage our exposure to the major risks.

The risks faced by the trust are principally operational risks from ineffective grant making or direct charitable activity.

These risks are managed by the trustees researching potential beneficiaries before granting donations or paying out funds for direct charitable activity.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all grants and payments.

Chortkov Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Objectives and activities

The objects of the charity are to provide relief of poverty amongst persons in conditions of need, hardship and distress in the Jewish community, the advancement of the Jewish orthodox religion, the advancement of education according to the beliefs and values of the Orthodox Jewish faith and to promote any charitable purpose for the benefit of the community.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year.

Grant making policy

The charity is funded by donations. The charity gives out grants in line with the above objects.

There were no grant payments made to individuals during the year.

The trustees consider they have met the public benefit test and outline these achievements below.

The trustees measure the success of achieving the stated aims by the number and value of grants paid out for each object. The grants paid out in the year are detailed in the notes to the accounts and the trustees consider they have met their aims successfully this year.

The trustees consider the shorter term aims to be similar to the longer term aims and assess the achievement of the charity in the same way.

Chortkov Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Achievements and performance

The charity received £278,672 in donations during the year of which £106,981 was paid out in synagogue expenses and support costs and £nil was paid out by way of grants in line with the trust deed.

The charity, which was set up to perpetuate the memory and the community work carried out (pre-WW2) by the community (of the same name) in Chortkiv, a city in Ternopil Oblast in western Ukraine, that was tragically wiped out by the Nazis, is proudly achieving these goals as it continuously expands its circle of services to the community, mainly centred around education, research and study.

As it seeks to cement the foundation of these services and secure their long-term future, it has embarked on an ambitious build program that will see its headquarters resurrected in a multipurpose community centre and synagogue.

The charity has strategically undertaken to oversee the development of this project and raise the necessary funds through its international network of contacts and supporters and has already received undertakings totalling a significant portion of the required funds.

The partial completion of the building happened in early 2021 whilst the fundraising (including incremental receipt of pledges over time) will last till approximately 2023.

It has secured medium term loans to bridge the deficit of the cost until this time

The charity paid £106,803 for building expenses in respect of the new building that have been capitalised. This was financed mainly by longer term interest free loans extended to the charity by some very kind benefactors.

The charity has low governance costs. Other costs were kept low and the governance costs incurred relate to professional fees.

There were no investments made during the year.

Fundraising costs incurred during the year are as detailed in the notes to the accounts.

Related party transactions in the reporting period are as disclosed in the notes to the accounts.

There was an overall net income for the year amounting to £157,425.

Chortkov Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Financial review

The trustees feel that the activity and surplus reflects the increasing profile and standing within the local community. The impact for future year's expenditure is self-evident and the trustees would like to record their appreciation for all the financial support received from benefactors during the course of the year.

Reserves policy

The Unrestricted Fund represents the unrestricted funds arising from past operating results.

In considering the financial obligations of the charity, the trustees have resolved to maintain a minimum reserve, being the current assets of the charity where applicable excluding the fixed assets of the charity.

The Trustees are satisfied that the balance of the Fund is an acceptable level of reserves given the nature of revenue receipts against grants payable.

The free reserves, represented by the net current assets of the charity stand at £19,261, all of which are unrestricted.

Coronavirus

The charity has not been materially affected by the coronavirus.

The trustees' annual report was approved on 14 June 2022 and signed on behalf of the board of trustees by:

M Halpern

Trustee

Chortkov Trust

Independent Examiner's Report to the Trustees of Chortkov Trust

Year ended 31 August 2021

I report to the trustees on my examination of the financial statements of Chortkov Trust ('the charity') for the year ended 31 August 2021.

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 Institute of Chartered Accountants in England and Wales (ICAEW), 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.

Mr Howard Schwalbe ACA

Independent Examiner

2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

14 June 2022

Chortkov Trust

Statement of Financial Activities

Year ended 31 August 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	278,672	278,672	176,322
Total income		<u>278,672</u>	<u>278,672</u>	<u>176,322</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	5	14,266	14,266	564
Expenditure on charitable activities	6,7	106,981	106,981	36,481
Total expenditure		<u>121,247</u>	<u>121,247</u>	<u>37,045</u>
Net income and net movement in funds		<u>157,425</u>	<u>157,425</u>	<u>139,277</u>
Reconciliation of funds				
Total funds brought forward		1,294,654	1,294,654	1,155,377
Total funds carried forward		<u>1,452,079</u>	<u>1,452,079</u>	<u>1,294,654</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 9 to 15 form part of these financial statements.

Chortkov Trust

Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	13	3,000,318	2,874,014
Current assets			
Cash at bank and in hand		22,279	52,496
Creditors: amounts falling due within one year	14	<u>3,018</u>	<u>22,236</u>
Net current assets		19,261	30,260
Total assets less current liabilities		3,019,579	2,904,274
Creditors: amounts falling due after more than one year	15	<u>(1,567,500)</u>	<u>(1,609,620)</u>
Net assets		<u>1,452,079</u>	<u>1,294,654</u>
Funds of the charity			
Unrestricted funds		1,452,079	1,294,654
Total charity funds	16	<u>1,452,079</u>	<u>1,294,654</u>

These financial statements were approved by the board of trustees and authorised for issue on 14 June 2022, and are signed on behalf of the board by:

M Halpern
Trustee

The notes on pages 9 to 15 form part of these financial statements.

Chortkov Trust

Notes to the Financial Statements

Year ended 31 August 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 32 Winders Way, Salford University Business Park, Salford, M6 6AR.

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 did not require management to make judgements, estimates or assumptions that affect the amounts reported.

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.

Chortkov Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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.

Chortkov Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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	- 15% reducing balance
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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.

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.

Chortkov Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	278,672	278,672	176,322	176,322

5. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Sundry fundraising costs including advertising & promotion	14,266	14,266	564	564

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Synagogue expenses	105,095	105,095	34,974	34,974
Support costs	1,886	1,886	1,507	1,507
	106,981	106,981	36,481	36,481

Chortkov Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Synagogue expenses	105,095	854	105,949	35,581
Governance costs	–	1,032	1,032	900
	<u>105,095</u>	<u>1,886</u>	<u>106,981</u>	<u>36,481</u>

8. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
General office	854	854	607
Governance costs	1,032	1,032	900
	<u>1,886</u>	<u>1,886</u>	<u>1,507</u>

9. Net income

Net income is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>3,526</u>	<u>72</u>

10. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>950</u>	<u>900</u>

11. Staff costs

The average head count of employees during the year was Nil (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

12. Trustee remuneration and expenses

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

Chortkov Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

13. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 September 2020	2,842,861	1,756	30,745	2,875,362
Additions	106,803	23,027	—	129,830
At 31 August 2021	2,949,664	24,783	30,745	3,005,192
Depreciation				
At 1 September 2020	—	1,348	—	1,348
Charge for the year	—	3,526	—	3,526
At 31 August 2021	—	4,874	—	4,874
Carrying amount				
At 31 August 2021	2,949,664	19,909	30,745	3,000,318
At 31 August 2020	2,842,861	408	30,745	2,874,014

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	—	19,814
Accruals and deferred income	1,932	1,836
Other creditors	1,086	586
	3,018	22,236

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

	2021 £	2020 £
Other creditors	1,567,500	1,609,620

16. Analysis of charitable funds

Unrestricted funds

	At 01 Sept 2020 £	Income £	Expenditure £	At 31 Aug 2021 £
General funds	1,294,654	278,672	(121,247)	1,452,079
	At 01 Sept 2019 £	Income £	Expenditure £	At 31 Aug 2020 £
General funds	1,155,377	176,322	(37,045)	1,294,654

Chortkov Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

17. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	3,000,318	3,000,318
Current assets	22,279	22,279
Creditors less than 1 year	(3,018)	(3,018)
Creditors greater than 1 year	(1,567,500)	(1,567,500)
Net assets	<u>1,452,079</u>	<u>1,452,079</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	2,874,014	2,874,014
Current assets	52,496	52,496
Creditors less than 1 year	(22,236)	(22,236)
Creditors greater than 1 year	(1,609,620)	(1,609,620)
Net assets	<u>1,294,654</u>	<u>1,294,654</u>

18. Related parties

Mr M Halpern, a trustee of Chortkov Trust, is also a trustee of M & M Foundation.

Mr M Halpern has lent various sums to Chortkov Trust in previous periods both personally and from his businesses. The collective total owing to him on an interest free basis amounted to £917,500 at the year end.

Mr S Halpern, a trustee of Chortkov Trust, is also a trustee of Samjo Ltd. During the year, Samjo Ltd donated £47,500 to Chortkov Trust.

19. Taxation

Chortkov Trust is a registered charity and therefore is not liable to income tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.