

Teshuvoh Tefilloh Tzedokoh
Financial Statements
30 September 2021

HAFFNER HOFF LTD

Accountants & statutory auditor
2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Teshuvoh Tefilloh Tzedokoh

Financial Statements

Year ended 30 September 2021

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Teshuvoh Tefilloh Tzedokoh

Trustees' Annual Report

Year ended 30 September 2021

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

Reference and administrative details

Registered charity name Teshuvoh Tefilloh Tzedokoh

Charity registration number 1099567

Principal office 2 Cheltenham Crescent
Salford
M7 4FP

The trustees

J B Wolff
Mrs R Wolff
Y A Lobenstein

Auditor Haffner Hoff Ltd
Accountants & statutory auditor
2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Bankers Barclays Bank Plc
Manchester Cheetham Hill
Cheetham Hill
M8

Teshuvoh Tefilloh Tzedokoh

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Structure, governance and management

Teshuvoh Tefilloh Tzedokoh is constituted under a trust deed dated 12 August 2003. It is a registered charity and the charity number is 1099567.

There is no chief executive officer. The day to day affairs are undertaken by Mr Y B Wolff 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.

The trustees of the charity are legally responsible for the overall management and control of the charity and meet regularly. A management committee which includes the trustees, user representatives, volunteers and staff representatives meet monthly to review financial and performance reports. The committee has delegated responsibility for scrutiny and strategic planning.

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 relate to whether there is sufficient net investment income to enable grants to be paid out. However, the trustees can reduce grants in the unlikely event of a fall in investment income.

Risk management

The Trustees are responsible for the management of the risks faced by the Charity. A formal review of the charity's risk management processes is undertaken on an annual basis.

The key controls used by the charity include:

- Comprehensive strategic planning and budgeting;
- Established organisational structure and lines of reporting;
- Clear authorisation and approval levels.

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Teshuvoh Tefilloh Tzedokoh

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Objectives and activities

The objects of the charity are: (i) the relief of poverty amongst persons in conditions of need and hardship in the Jewish community; (ii) the advancement of the Jewish orthodox religion and (iii) the advancement of education according to the beliefs and values of the orthodox Jewish faith.

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 has established its grant making policy to achieve its objects for the public benefit. The charity invites applications for funding through contacting local philanthropists to contribute towards projects that both the trustees and the philanthropists feel are appropriate for the charity's objects.

The application of the funds by way of grants is to either institutions or individuals and is usually to individuals.

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.

Teshuvoh Tefilloh Tzedokoh

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Achievements and performance

The charity received £3,116,688 in donations during the year and paid out £3,359,811 by way of grants and support costs.

The charity also reported investment income of £139,262.

Grants were awarded to individuals in the year in accordance with the charity's objectives and as detailed in the notes to the financial statements. These grants were made in line with the stated objects of the charity. Grants were also awarded to help pay for their festival needs as well as any other relief of poverty grants as deemed by the trustees.

The disclosure of grants paid out has been devised by the trustees in a manner that maximises disclosure whilst maintaining the anonymity of the recipients. This is due to the sensitivity and culture of the community that this charity is involved with that aims to preserve the dignity and self respect of individuals receiving charitable grants who would be extremely embarrassed if this fact was publicised. In addition to the grants paid out during the year, the trustees also extended charitable loans to people or charities who were in need of assistance and did not wish to receive charitable grants. These loans were either short term or long term and to people experiencing financial hardship or to enable them to alleviate their financial hardship. The loan debtors outstanding at the year-end amounted to £481,276.

The trustees revalued a property resulting in a gain of £49,000 to the revaluation reserve.

The charity has low governance costs comprising professional fees.

There were no material fundraising costs during the year.

There were no related party transactions in the reporting period.

There was net expenditure and movement in funds for the year amounting to £61,071.

Teshuvoh Tefilloh Tzedokoh

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Financial review

Investment policy and objectives

The trustees have a policy of making investments as part of the management of the charity. These investments are all in UK property, both residential and commercial and are made in order to ensure the charity has a steady and reliable stream of income by which it can continue and further its charitable objectives. The trustees will always take external expert advice when making any decisions to ensure the maximum benefit is achieved for the charity. A good investment would be to balance projected returns and capital gains against risks involved, with the trustees tending towards a more risk averse approach. Additionally, the trustees make loans with high levels of interest when compared to the market rates. These loans are always secured on property and are considered low risk.

Investment performance

The performance of the investments of the charity have improved this year. The average return on the investments is 8%. The trustees consider this acceptable when compared with returns available on deposits in any of the banking institutions.

These investment returns are not at the expense of any exposure of loan to value covenants that would put these investments at risk. They also do not take into account any potential capital growth of the investments.

Coronavirus

The long-term effect of the coronavirus pandemic on the charity's investments is not yet clear. As of the date of the signing of these accounts the investments have continued to produce an average return of 8%, furnishing confidence in the ongoing viability of the charity's investments. Going forward should income reduce, trustees have full discretion to offset the impact of this by reducing expenditure on grants.

Reserves policy

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

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.

In considering the financial obligations of the charity, the trustees have resolved to maintain a minimum reserve, being enough to cover the loans due to the charity less any current liabilities and excluding any investments or other fixed assets.

The trustees have considered the fair value of the investment property as mentioned above and consider the holding value to be the fair value. This has been confirmed on most of the investments by external valuers or valuation tools.

The trustees are delighted to have made many valuable contributions to the community as a result of this income and hope to be able to do so for many years to come.

The trustees feel that the activity reflects the profile and standing within the local community. The impact for future years' 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.

The free reserves comprising of the net current assets stand at £708,372, all of which are unrestricted.

True and fair override

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charities governing document, The Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their

Teshuvoh Tefilloh Tzedokoh

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Plans for future periods

The trustees plan to continue raising funds for projects in line with the trust deed and pursue those objectives and projects with all the resources available to the charity.

Teshuvoh Tefilloh Tzedokoh

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 21 July 2022 and signed on behalf of the board of trustees by:

J B Wolff
Trustee

Teshuvoh Tefilloh Tzedokoh

Independent Auditor's Report to the Trustees of Teshuvoh Tefilloh Tzedokoh

Year ended 30 September 2021

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2021 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;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Independent Auditor's Report to the Trustees of Teshuvoh Tefilloh Tzedokoh (continued)

Year ended 30 September 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

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Independent Auditor's Report to the Trustees of Teshuvoh Tefilloh Tzedokoh (continued)

Year ended 30 September 2021

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

the nature of the industry and sector, control environment and business performance;

results of our enquiries of management about their own identification and assessment of the risks of irregularities;

any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to (a) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance; (b) detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; (c) the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; (d) the matters identified as to how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAS (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code, UK tax legislation and UK Charity Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

As a result of performing the above, we identified no key audit matters relating to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the

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Independent Auditor's Report to the Trustees of Teshuvoh Tefilloh Tzedokoh (continued)

Year ended 30 September 2021

financial statements;

enquiring of management concerning actual and potential litigation and claims;

performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

obtaining an understanding of provisions and holding discussions with management to understand the basis of recognition or non-recognition of tax provisions; and

in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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. This description forms part of our Report of the Auditors.

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

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

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

Teshuvoh Tefilloh Tzedokoh

Independent Auditor's Report to the Trustees of Teshuvoh Tefilloh Tzedokoh *(continued)*

Year ended 30 September 2021

The firm is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of The Companies Act 2006.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

2nd Floor - Parkgates
Bury New Road
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M25 0TL

Haffner Hoff Ltd
Accountants & statutory auditor

21 July 2022

Teshuvoh Tefilloh Tzedokoh

Statement of Financial Activities

Year ended 30 September 2021

		2021	2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	4	3,116,688	3,116,688
Investment income	5	139,262	139,262
Total income		<u>3,255,950</u>	<u>3,255,950</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	6	6,210	6,210
Expenditure on charitable activities	7,8	3,359,811	3,359,811
Total expenditure		<u>3,366,021</u>	<u>3,366,021</u>
Net gains on investments	11	49,000	49,000
Net expenditure and net movement in funds		<u>(61,071)</u>	<u>(61,071)</u>
Reconciliation of funds			
Total funds brought forward		2,144,784	2,144,784
Total funds carried forward		<u>2,083,713</u>	<u>2,083,713</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 16 to 25 form part of these financial statements.

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Statement of Financial Position

30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	15	1,565,929	1,456,542
Current assets			
Debtors	16	495,584	287,154
Investments	17	256,292	652,677
Cash at bank and in hand		49,151	25,954
		<u>801,027</u>	<u>965,785</u>
Creditors: amounts falling due within one year	18	<u>92,655</u>	<u>8,080</u>
Net current assets		708,372	957,705
Total assets less current liabilities		2,274,301	2,414,247
Creditors: amounts falling due after more than one year	19	<u>190,588</u>	<u>269,463</u>
Net assets		<u>2,083,713</u>	<u>2,144,784</u>
Funds of the charity			
Unrestricted funds:			
Revaluation reserve		(430,357)	(430,357)
Other unrestricted income funds		<u>2,514,070</u>	<u>2,575,141</u>
Total unrestricted funds		2,083,713	2,144,784
Total charity funds	20	<u>2,083,713</u>	<u>2,144,784</u>

These financial statements were approved by the board of trustees and authorised for issue on 21 July 2022, and are signed on behalf of the board by:

J B Wolff
Trustee

The notes on pages 16 to 25 form part of these financial statements.

Teshuvoh Tefilloh Tzedokoh

Statement of Cash Flows

Year ended 30 September 2021

	2021 £	2020 £
Cash flows from operating activities		
Net expenditure	(61,071)	(72,837)
<i>Adjustments for:</i>		
Net gains on investments	(49,000)	(116,836)
Dividends, interest and rents from investments	(112,776)	(89,615)
Other interest receivable and similar income	(26,486)	(25,853)
Accrued expenses	5,700	–
<i>Changes in:</i>		
Trade and other debtors	(208,430)	139,092
Trade and other creditors	–	(40,540)
Cash generated from operations	(452,063)	(206,589)
Interest received	26,486	25,853
Net cash used in operating activities	(425,577)	(180,736)
Cash flows from investing activities		
Dividends, interest and rents from investments	112,776	89,615
Purchases of other investments	(95,148)	(82,409)
Proceeds from sale of other investments	431,146	113,375
Net cash from investing activities	448,774	120,581
Cash flows from financing activities		
Proceeds from borrowings	–	1,783
Net cash from financing activities	–	1,783
Net increase/(decrease) in cash and cash equivalents	23,197	(58,372)
Cash and cash equivalents at beginning of year	25,954	84,326
Cash and cash equivalents at end of year	49,151	25,954

The notes on pages 16 to 25 form part of these financial statements.

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements

Year ended 30 September 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 2 Cheltenham Crescent, Salford, M7 4FP.

2. Statement of compliance

The accounts (financial statements) have been prepared in accordance with the relevant version of 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) and The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

Fair value

Debtors and creditors are stated at fair value.

Judgements and key sources of estimation uncertainty

The main judgements, estimates or assumptions that affect the amounts reported are the valuation of the investment property. These are updated to fair value by the trustees based on information supplied by independent valuers.

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

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.

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.

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

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.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Investments in syndicates

These represent investments in syndicate investment properties with a holding of less than 25%. The trustees have no influence of control on these investments. The valuation on the syndicate investment is commensurate with the balances in the syndicate capital account at the year end.

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

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.

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.

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements (continued)

Year ended 30 September 2021

3. Accounting policies (continued)

Financial instruments (continued)

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	3,116,688	3,116,688	3,049,746	3,049,746

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	112,776	112,776	89,615	89,615
Other interest receivable	26,486	26,486	25,853	25,853
	<u>139,262</u>	<u>139,262</u>	<u>115,468</u>	<u>115,468</u>

6. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Property repairs and maintenance charges	6,210	6,210	7,427	7,427

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Charitable grants	3,332,413	3,332,413	3,332,827	3,332,827
Support costs	27,398	27,398	14,633	14,633
	<u>3,359,811</u>	<u>3,359,811</u>	<u>3,347,460</u>	<u>3,347,460</u>

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements (continued)

Year ended 30 September 2021

8. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable grants	3,332,413	21,697	3,354,110	3,342,361
Governance costs	—	5,701	5,701	5,099
	<u>3,332,413</u>	<u>27,398</u>	<u>3,359,811</u>	<u>3,347,460</u>

9. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
General office	13,165	13,165	822
Finance costs	8,532	8,532	8,712
Governance costs	5,701	5,701	5,099
	<u>27,398</u>	<u>27,398</u>	<u>14,633</u>

10. Analysis of grants

	2021 £	2020 £
Grants to individuals		
Covid Grants	171,000	—
Educational Grants	63,141	119,385
Hachnosas Kalloh & Bar mitzvas	628,230	761,069
Medical Expenses	46,963	24,415
Purim Expenses	370,210	315,180
Relief Of Poverty	83,269	72,838
Religious Activities	73,603	198,390
Summer Holiday Grants	388,667	350,250
Yomtov Expenses	1,507,330	1,491,300
	<u>3,332,413</u>	<u>3,332,827</u>
Total grants	<u>3,332,413</u>	<u>3,332,827</u>

11. Net gains on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on revaluation of investment property	<u>49,000</u>	<u>49,000</u>	<u>116,836</u>	<u>116,836</u>

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

12. Auditors' remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>4,800</u>	<u>4,200</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>900</u>	<u>900</u>

13. 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).

14. Trustee remuneration and expenses

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

15. Investments

	Investment properties £	Other investments £	Total £
Cost or valuation			
At 1 October 2020	779,400	677,142	1,456,542
Additions	–	95,148	95,148
Disposals	–	(34,761)	(34,761)
Fair value movements	49,000	–	49,000
At 30 September 2021	<u>828,400</u>	<u>737,529</u>	<u>1,565,929</u>
Impairment			
At 1 October 2020 and 30 September 2021		–	<u>–</u>
Carrying amount			
At 30 September 2021	<u>828,400</u>	<u>737,529</u>	<u>1,565,929</u>
At 30 September 2020	<u>779,400</u>	<u>677,142</u>	<u>1,456,542</u>

All investments shown above are held at valuation.

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

15. Investments *(continued)*

Investment properties

Investment properties represents three wholly owned UK properties.

Valuation of these investment properties is at fair value in the opinion of the trustees and other third-party valuation tools.

Other investments represent capital introduced by the charity into various UK property syndicates plus accrued surpluses less deficiencies but without revaluing the syndicate properties. The syndicates in which the charity is a participator has borrowings that are secured on the syndicate property. The charity accounts for its syndicate investments under the equity accounting basis and thus the charity's share of the borrowings is not included in these financial statements.

Valuation of the syndicate property is at fair value of the syndicate property in the opinion of the trustees and the syndicate managers. The percentage holding ranges from 1% to 20%. The charity participates in ten syndicates. The trustees consider that they do not have significant influence over the operating and financial policy of the undertaking.

16. Debtors

	2021	2020
	£	£
Prepayments and accrued income	14,308	12,387
Other debtors	481,276	274,767
	<u>495,584</u>	<u>287,154</u>

Other debtors are small interest free loans. They are all lent out in line with the objects of the charity.

17. Investments

	2021	2020
	£	£
Other investments	<u>256,292</u>	<u>652,677</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	10,800	5,100
Other creditors	81,855	2,980
	<u>92,655</u>	<u>8,080</u>

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

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

	2021 £	2020 £
Bank loans and overdrafts	190,588	190,588
Other creditors	–	78,875
	<u>190,588</u>	<u>269,463</u>

Bank loans and overdrafts are secured on the investment property of the charity.

20. Analysis of charitable funds

Unrestricted funds

	At 01 Oct 2020 £	Income £	Expenditure £	Gains and losses £	At 30 Sep 2021 £
General funds	2,575,141	3,255,950	(3,366,021)	49,000	2,514,070
Revaluation reserve	(430,357)	–	–	–	(430,357)
	<u>2,144,784</u>	<u>3,255,950</u>	<u>(3,366,021)</u>	<u>49,000</u>	<u>2,083,713</u>

	At 01 Oct 2019 £	Income £	Expenditure £	Gains and losses £	At 30 Sep 2020 £
General funds	2,647,978	3,165,214	(3,354,887)	116,836	2,575,141
Revaluation reserve	(430,357)	–	–	–	(430,357)
	<u>2,217,621</u>	<u>3,165,214</u>	<u>(3,354,887)</u>	<u>116,836</u>	<u>2,144,784</u>

Teshuvoh Tefilloh Tzedokoh

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Investments	1,565,929	1,565,929
Current assets	801,027	801,027
Creditors less than 1 year	(92,655)	(92,655)
Creditors greater than 1 year	(190,588)	(190,588)
Net assets	<u>2,083,713</u>	<u>2,083,713</u>

	Unrestricted Funds £	Total Funds 2020 £
Investments	1,456,542	1,456,542
Current assets	965,785	965,785
Creditors less than 1 year	(8,080)	(8,080)
Creditors greater than 1 year	(269,463)	(269,463)
Net assets	<u>2,144,784</u>	<u>2,144,784</u>

22. Analysis of changes in net debt

	At 1 Oct 2020 £	Cash flows £	At 30 Sep 2021 £
Cash at bank and in hand	25,954	23,197	49,151
Debt due after one year	(190,588)	–	(190,588)
Current asset investments	652,677	(396,385)	256,292
	<u>488,043</u>	<u>(373,188)</u>	<u>114,855</u>

23. Related parties

In the prior year, Mr Y A Lobenstein, trustee of Teshuvoh Tefilloh Tzedokoh, borrowed £500,000 from the charity. The amount repaid during the year was £315,708 leaving a balance of £184,292 outstanding at the year end.

The loan was taken prior to Mr Y A Lobenstein becoming a trustee and appropriate advice, security and loan agreement were obtained before the loan was drawn down. Interest payable on this loan is at a rate of 4% and the amount receivable during the year amounted to £19,308.

Mr J B Woolf, trustee of Teshuvoh Tefilloh Tzedokoh lent £1,300 to the charity during the year. This was fully paid before the year end.

24. Taxation

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