

**The Sanita Merall Trust**

**Charity Number 1125967**

**The Trustees' Annual Report  
and Financial Statements  
for the year ended 31st March 2022**

**The Sanita Merall Trust**

**Report and Financial Statements  
for the year ended 31st March 2022**

<b>Contents</b>	<b>Page</b>
Legal and Administrative information	1
Report of the Trustees	2-4
Report of the Independent Auditor	5-7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the financial Statements	10-14

**The Sanita Merali Trust**

**Legal and Administrative Information  
for the year ended 31st March 2022**

**Trustees :**

M G Merali  
The Towers, Sandygate Road  
Sheffield, S10 5UE

N Merali  
The Towers, Sandygate Road  
Sheffield, S10 5UE

F Merali  
7 Algiers Street  
Bristol BS3 4LP

S England  
Spring Villa, 136 Langsett Road South  
Sheffield, S35 0HA

**Office :**

209-211 Whitham Road  
Sheffield, S10 2SP

**Auditor:**

Johnson Walker  
Horizon House  
2 Whiting Street  
Sheffield, S8 9QR

**Bankers :**

Yorkshire Bank PLC  
139 The Moor  
Sheffield, S13LW

**Solicitors :**

Banner Jones  
Abbey House  
Sheffield, S1 2GY

**The Sanita Merall Trust**  
**Report of the Trustees**  
**For the year ended 31 March 2022**

**Report of the Trustees for the period ended 31 March 2022**

The Trustees present their report with the accounts of The Sanita Merall Trust for the year ended 31 March 2022. The Charity accounts comply with the statement of Recommended Practice (SORP) Issued in 2015, other current statutory requirements, and the requirements of the Trust Deed.

**Structure, Governance and Management**

The charity was created as a charitable trust on 19 September 2008 and is controlled by its governing instrument a deed of trust.

The current trustees are as follows:

Murtaza Merall  
Nimah Merall  
Farah Merall  
Simon England

As set out in the governing document additional Trustees can be appointed by resolution of the Trustees.

As at 31 March 2022 the Charity did not employ any staff.

**Objectives and Activities**

The objects of The Sanita Merall Trust are to promote such purposes being exclusively charitable according to the law of England and Wales as the Trustees shall from time to time determine. In particular, but without limiting the discretion of the Trustees to promote such purposes as they deem fit, such purposes will include:

1. The support and advancement of medical research and community facilities. A core interest of the charity is to facilitate the progression of cancer research and care. The latter objective refers to the charity's interest in the improvement of community facilities to ensure inclusivity for all members of society.

The ways in which The Sanita Merall Trust fulfills its objectives are by:

Selecting and supporting Hospital fundraising programs  
Supporting distance learning projects  
Identifying and supporting projects benefiting disadvantaged members of the community.

**Assessment of public benefit**

The Trustees have complied with the duty in Part 1 Chapter 1 s4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission. The Trustees have had regard for the guidelines when reviewing the Charity's aims and objectives and in planning for future activities.

## **The Sanita Merall Trust**

### **Report of the Trustees For the year ended 31 March 2022**

#### **Achievements and performance**

During the current year The Trust has continued to support local projects and local charities on a regular basis and consider that although their targets for the year have reduced that the performance of the charity has been satisfactory in the current market conditions.

#### **Financial Review**

During the financial year, £593,463 was received in investment income from rental properties, all of which is unrestricted and a further £13,000 was received in donations.

The total expenditure for the year was £158,142 and grants made totaled £10,000.

The Charity ended the year with a surplus of £249,068 and reserves of £2,634,590.

#### **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.

#### **Risk management**

Careful controls are in place to monitor the level of borrowing. The trustees have fixed the cost of borrowings in order to maximize the potential of the rental income and keep a and keep a tight control on resources.

#### **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

#### **Statement of Trustees Responsibilities**

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepared the financial statements on the going concern basis.

**The Sanita Merall Trust**

**Report of the Trustees  
For the year ended 31 March 2022**

The trustees have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with Charities Act 2011. 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.

In so far as the trustees are aware:

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

This report was approved by the board on 9 January 2023.



N. Merall (Trustee)

## **The Sanita Merali Trust**

### **Independent Auditor's Report to the Trustees of The Sanita Merali Trust**

#### **Opinion**

We have audited the financial statements of The Sanita Merali Trust for the year ended 31 March 2022 which comprise the Income Statement, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

In our opinion the financial statements:

give a true and fair view of the state of the Trust's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended.

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and

have been prepared in accordance with the requirements of the 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the U.K. including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the trustee's have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **The Sanita Merall Trust**

### **Other Information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be 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, we are required to report this fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Charities Act 2011**

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

the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the trustees' report has been prepared in accordance with applicable requirements.

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

In the light of the knowledge and understanding of the trust 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:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit

### **Responsibilities of a trustee**

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.



## **The Sanita Merall Trust**

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 it is not a guarantee that an audit conducted in accordance with ISA's(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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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.

### **Use of our report**

This report is made solely to the charity's trustees, 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 trustees 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 trust and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Johnson Walker, Statutory Auditor  
Horizon House  
S8 9QR

9/1/2023

**The Sanita Merall Trust**

**Statement of Financial Activities  
for the year ended 31st March 2022**

		<b>2022</b> (Unrestricted) £	<b>2021</b> (Unrestricted) £
<b>Income and endowments:</b>			
Donations		13,000	24,690
Investments	note 2	593,463	329,047
		<u>606,463</u>	<u>353,737</u>
<b>Expenditure on:</b>			
Raising Funds	note 3	158,142	161,231
Charitable activities	note 6	10,000	22,001
		<u>168,142</u>	<u>183,232</u>
<b>Net Income before Investment profit</b>		438,321	170,505
<b>Net gains and losses on property investments</b>			
Unrealised profit (loss) on revaluation of investment properties	note 7	(186,733)	112,500
<b>Net Income</b>		251,588	283,005
<b>Fund Balance brought forward</b>		<u>2,385,522</u>	<u>2,102,517</u>
<b>Fund Balance carried forward</b>		<u><u>2,637,110</u></u>	<u><u>2,385,522</u></u>

The statement of financial activities includes all gains and losses recognized in the year.  
All income and expenditure as stated above arise from continuing activities.

**The Sanita Merali Trust**

**Balance Sheet  
As at 31 March 2022**

		<b>2022</b> (Unrestricted)	<b>2021</b> (Unrestricted)
<b>Investments</b>			
Investment property	note 7	3,885,000	3,735,000
<b>Current assets</b>			
Debtors	note 8	-	-
Cash at bank and In hand		<u>135,668</u>	<u>214,281</u>
Total current assets		135,668	214,281
<b>Creditors: amounts falling due within one year</b>	note 9	<u>193,297</u>	<u>163,425</u>
<b>Net current assets/(liabilities)</b>		<u>(57,629)</u>	<u>50,856</u>
<b>Total assets less current liabilities</b>		3,827,371	3,785,856
<b>Creditors: amounts falling due after one year</b>	note 10	<u>1,190,261</u>	<u>1,400,335</u>
<b>Net Assets</b>		<u><u>2,637,110</u></u>	<u><u>2,385,522</u></u>
<b>Funds of the Trust</b>			
Unrestricted general funds		<u><u>2,637,110</u></u>	<u><u>2,385,522</u></u>

The financial statements on pages 8 to 14 were approved by the trustees on 9 January 2023 and signed on their behalf by:



N. Merali (Trustee)

## **The Sanita Merall Trust**

### **Notes to the Financial Statements For the Year to 31 March 2022**

#### **1. Accounting policies**

##### **Basis of preparation**

The Sanita Merall Trust is a registered charity created and governed by a deed of trust dated the 19th. September 2008 and is registered at

209-211 Whitham Road  
Sheffield, S10 2SP

The Trustees have complied with the duty in Part 1 Chapter 1 s4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission. The Trustees have had regard for the guidelines when reviewing the Charity's aims and objectives and in planning for future activities.

The financial statements have been prepared under the historic cost convention, with the exception that property investments are included at market value. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011.

The Charity has applied Update Bulletin 1 as published on 2 February 2016.

##### **Preparation of the accounts on a going concern basis**

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities.

##### **Estimates and Judgements**

The preparation of financial statements in compliance with SORP Update Bulletin requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charitable trusts accounting policies. Estimates and Judgements are continually evaluated by the Trustees based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The most significant estimates and judgements relate to the investment properties, for which the trust relies on the experience of property management and chartered surveyors.

##### **Fund Structure**

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

## **The Sanita Merall Trust**

### **Notes to the Financial Statements For the Year to 31 March 2022**

#### **Income and endowments:**

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

#### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

#### **Investment Property**

Investment properties are defined as interests in land and buildings which are held for the purpose of producing an income for the charity with rental income being negotiated at arms length. Proceeds from the sale of investment properties are credited to the general fund account.

These properties are included at their market value and are not depreciated. Any increase or decrease in valuation is recorded as an unrealised gain or loss in the gain or loss on investment section of the SOFA.

#### **Taxation**

The Charity is registered with the Charity Commission, number 1125967, and is exempt from Income Tax and Gains Tax provided its income and gains are applied for charitable purposes.

# **The Sanita Merall Trust**

## **Notes to the Financial Statements For the Year to 31 March 2022**

### **Financial Instruments**

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors and loans are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the charitable trust after deducting all of its liabilities.

The charitable trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value

### **2. Investment Income - Rental Income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rents receivable	<u>593,463</u>	<u>329,047</u>

### **3. Cost of Raising funds**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Property expenses</b>		
Repairs, rates and other property expenses	46,716	43,703
<b>Property management expenses</b>		
Bank interest	106,142	114,949
Legal and professional fees	<u>5,284</u>	<u>2,579</u>
	<u>111,426</u>	<u>117,528</u>
	<u>158,142</u>	<u>161,231</u>

### **4. Trustees' remuneration**

The trustees received nor waived any remuneration during the year and no out of pocket expenses were reimbursed to trustees.

### **5. Auditor's Remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit Fee	<u>2,520</u>	<u>2,400</u>

### **6. Charitable Activities**

Sheffield United Community Foundation	<u>10,000</u>
---------------------------------------	---------------

**The Sanita Merali Trust**

**Notes to the Financial Statements  
For the Year to 31 March 2022**

<b>7. Investment Property</b>	<b>2022</b>	<b>2021</b>
Valuation at beginning of year	3,735,000	3,622,500
Additions to Investment property	336,733	-
Unrealised profit (loss) on revaluation of investment properties	<u>(186,733)</u>	<u>112,500</u>
Valuation at end of year	<u><u>3,885,000</u></u>	<u><u>3,735,000</u></u>

The trust is the owner of a mixture of residential and commercial properties in Sheffield. All properties were revalued at market value by the Trusts Chartered Surveyors, Crosthwaite Commercial as of 31 March 2016, 31 March 2017 and 31 March 2018 in accordance with the Royal Institution of Chartered Surveyors Valuation Global Standards 2017. On 31 March 2022 the properties were assessed and valued at market value by the trustee Murtaza Merali in conjunction with Crosthwaite Commercial.

The historical cost of the properties is £5,275,350

<b>8. Debtors</b>	<b>2022</b>	<b>2021</b>
Trade debtors	<u>-</u>	<u>-</u>

<b>9. Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
Bank Loans	188,964	159,212
Trade Creditors	2,520	2,400
Accruals and deposits	<u>1,813</u>	<u>1,813</u>
	<u><u>193,297</u></u>	<u><u>163,425</u></u>

Bank loans totalling £1,337,559 are secured against investment properties held by the trust

<b>10. Creditors: amounts falling due after more than one year</b>	<b>2022</b>	<b>2021</b>
Long term bank loans	<u><u>1,383,558</u></u>	<u><u>1,400,335</u></u>

Bank loans totalling £1,337,559 are secured against investment properties held by the trust

Under the terms of the banking agreement the bank loans are repayable in a blended payment representing principle and interest at the amount of £264,196 annually .  
The loan agreement expires on 27 March 2028.

**The Sanita Merall Trust**

**Notes to the Financial Statements  
For the Year to 31 March 2022**

**11 Related Party Transactions**

Throughout the year The Sanita Merall Trust continued to receive rental income at fairmarket value from Companies controlled by the Trustees Nimah, Farah and Murtaza Merall.

The total rents received by The Sanita Merall Trust from Trustees and connected entities totaled £32,000.00