

The Sanita Merali Trust

Charity Number 1125967

**The Trustees' Annual Report
and Financial Statements
for the year ended 31st March 2023**

The Sanita Merali Trust
Report and Financial Statements
for the year ended 31st March 2023

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The Sanita Merali Trust

**Legal and Administrative Information
for the year ended 31st March 2023**

Trustees :

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

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

F Hicks
Ennerdale House
Sleep Lane
Bristol BS14 0NQ

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

Barclays Bank UK PLC
PO Box 16275
Birmingham B2 2XD

Solicitors :

Banner Jones
Abbey House
Sheffield, S1 2GY

The Sanita Merali Trust
Report of the Trustees
For the year ended 31 March 2023

Report of the Trustees for the period ended 31 March 2023

The Trustees present their report with the accounts of The Sanita Merali Trust for the year ended 31 March 2023. 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 Merali
Nimah Merali
Farah Hicks
Simon England

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

As at 31 March 2023 the Charity did not employ any staff.

Objectives and Activities

The objects of The Sanita Merali 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 Merali 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 Merali Trust

Report of the Trustees For the year ended 31 March 2023

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, £336,317 was received in investment income from rental properties, all of which is unrestricted and a further £37,491 was received in donations.

The total expenditure for the year was £179,961 grants made totaled £3,250.

The Charity ended the year with a surplus of £190,597 and reserves of £2,827,707.

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 Merali Trust

**Report of the Trustees
For the year ended 31 March 2023**

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 22 January 2024.

A handwritten signature in black ink, appearing to read 'N. Merali', with a stylized flourish at the end.

N. Merali (Trustee)

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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended.

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

have been prepared in accordance with the requirements of the 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.

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 our 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.

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. 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

The Sanita Merali Trust

**Statement of Financial Activities
for the year ended 31st March 2023**

		2023 (Unrestricted) £	2022 (Unrestricted) £
Income and endowments:			
Donations		37,491	13,000
Investments	note 2	<u>336,317</u>	<u>593,463</u>
		<u>373,808</u>	<u>606,463</u>
Expenditure on:			
Raising Funds	note 3	179,961	158,142
Charitable activities	note 6	<u>3,250</u>	<u>10,000</u>
		<u>183,211</u>	<u>168,142</u>
Net income before investment profit		190,597	438,321
Net gains and losses on property investments			
Unrealised profit (loss) on revaluation of investment properties	note 7	-	(186,733)
Net income		190,597	251,588
Fund Balance brought forward		<u>2,637,110</u>	<u>2,385,522</u>
Fund Balance carried forward		<u><u>2,827,707</u></u>	<u><u>2,637,110</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 2023**

		2023 (Unrestricted)	2022 (Unrestricted)
Investments			
Investment property	note 7	3,885,000	3,885,000
Current assets			
Debtors	note 8	11,000	-
Cash at bank and in hand		<u>518,152</u>	<u>135,668</u>
Total current assets		529,152	135,668
Creditors: amounts falling due within one year	note 9	<u>228,138</u>	<u>193,297</u>
Net current assets/(liabilities)		<u>301,014</u>	<u>(57,629)</u>
Total assets less current liabilities		4,186,014	3,827,371
Creditors: amounts falling due after one year	note 10	<u>1,358,307</u>	<u>1,190,261</u>
Net Assets		<u><u>2,827,707</u></u>	<u><u>2,637,110</u></u>
Funds of the Trust			
Unrestricted general funds		<u><u>2,827,707</u></u>	<u><u>2,637,110</u></u>

The financial statements on pages 8 to 14 were approved by the trustees on 22 January 2024 and signed on their behalf by:



N. Merali (Trustee)

The Sanita Merali Trust

Notes to the Financial Statements For the Year to 31 March 2023

1. Accounting policies

Basis of preparation

The Sanita Merali 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.

**Notes to the Financial Statements
For the Year to 31 March 2023**

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 Merali Trust

Notes to the Financial Statements For the Year to 31 March 2023

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

	2023 £	2022 £
Rents receivable	<u>336,317</u>	<u>593,463</u>

3. Cost of Raising funds

	2023 £	2022 £
Property expenses		
Repairs, rates and other property expenses	51,245	46,716
Property management expenses		
Bank interest	106,663	106,142
Legal and professional fees	<u>22,053</u>	<u>7,805</u>
	<u>128,716</u>	<u>113,947</u>
	<u>179,961</u>	<u>160,663</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

	2023 £	2022 £
Audit Fee	<u>2,520</u>	<u>2,520</u>

6. Charitable Activities

Brain Research UK	500
Paces Sheffield	250
Cavendish Cancer Care	1,000
Sheffield Children's Hospital	500
Heart Foundation	<u>1,000</u>
	<u>3,250</u>

The Sanita Merali Trust

**Notes to the Financial Statements
For the Year to 31 March 2023**

7. Investment Property	2023	2022
Valuation at beginning of year	3,885,000	3,735,000
Additions to Investment property	-	336,733
Unrealised profit (loss) on revaluation of investment properties	<u>-</u>	<u>(186,733)</u>
Valuation at end of year	<u><u>3,885,000</u></u>	<u><u>3,885,000</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 2023 the properties were assessed and valued at market value by the trustee Murtaza Merali inline with current market expectations.

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

8. Debtors	2023	2022
Trade debtors	<u>11,000</u>	<u>-</u>

9. Creditors: amounts falling due within one year	2023	2022
Bank Loans	217,806	188,964
Trade Creditors	2,520	2,520
Accruals and deposits	<u>7,812</u>	<u>1,813</u>
	<u><u>228,138</u></u>	<u><u>193,297</u></u>

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

10. Creditors: amounts falling due after more than one year	2023	2022
Long term bank loans	<u>1,358,307</u>	<u>1,190,261</u>

Bank loans totaling £1,544,446 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 £305,476 annually .

A loan agreement with an outstanding balance of £1,153,210 expires on 27 March 2028 and a second loan agreement with an outstanding balance of £391,235 expires on the 12 August 2027.

The Sanita Merali Trust

**Notes to the Financial Statements
For the Year to 31 March 2023**

11 Related Party Transactions

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

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