

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE
AGED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2020

Trustees	B Mocatta, Chair J Shapiro (resigned 17 November 2020) S D Zubaída (resigned 27 April 2021) M Boda (resigned 28 August 2020) R Taylor G R Riese V Ettinghausen D Ezekiel (appointed 15 September 2020)
Company registered number	09583708
Charity registered number	1162974
Registered office	Choice House 36-44 Forty Avenue Wembley Middlesex HA9 8JP
Company secretary	P Peake
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants Statutory Auditor Palladium House 1 - 4 Argyll Street London W1F 7LD
Bankers	National Westminster Bank Plc PO Box 12258 1 Princes Street London EC2R 8BP

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

The Trustees present their annual report together with the audited financial statements of the charitable company for the year 1 November 2019 to 31 October 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Achievements and performance

a. Main achievements of the charitable company

During the year, the Home provided day to day care at varying levels depending on the requirements of the residents. The Home has a large proportion of people with dementia and continues to improve its standard of care for the increased number of our residents with all types of dementia. As with previous years, various outings were arranged but were stopped in March 2020 due to Covid-19 and the restrictions imposed during lockdown and for the well-being of the residents.

Similarly, activities normally organised in the Home on a weekly basis, including visits from pianists, choirs and schoolchildren from the community, were stopped at the outset of the pandemic and were partly resumed on a very limited basis during the autumn before the second lockdown in the late autumn.

Due to the pandemic and subsequent lockdowns, the Trustees met in November 2020 and made the heart breaking decision to close the Home due to the reduced number of residents and the related financial constraints. Choice House has been running at a loss for many years, surviving on its reserves and occasional legacies, which are not sufficient for the future given the reduced number of residents. Additionally, local authorities stopped funding placements and the Jewish community in the Wembley area has diminished considerably, which further led to the decision.

The charity has cared for members of the community for over 270 years but in the absence of a substantial injection of funds, there was no alternative but to start the process of closure in the first quarter of 2021.

The controlled closure of the Home occurred once all residents had received their second vaccinations and they were able to find suitable accommodation in other care homes.

Following the last departure, the Home managed to sell some of the furniture and equipment, albeit for nominal amounts and since the late summer of this year, the premises are occupied on a short term tenancy agreement whilst ongoing discussions with the Spanish & Portuguese Community conclude with a decision regarding the future of the site. The trustees do intend for the charity to continue for the benefit of the Jewish community for the foreseeable future.

The Campus was fortunate to have such a wonderful team of loyal, patient, caring and understanding staff under the supervision of Paula Peake (Chief Executive) and Roger Ellis (Registered Manager), and their incredible hard work that they all endured once the pandemic crisis started and throughout the ensuing period to closure. Ultimately all of the staff had to be made redundant and the Trustees are extremely grateful to all of them and their dedication.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Achievements and performance (continued)

b. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Financial review

a. Financial evaluation

The Statement of Financial Activities for 2020 shows an underlying deficit for the year of £371,390 (2019: £30,200) in overall funds. The budget was exceeded in the previous year in terms of donations, due to a large legacy received during the year. The Board is indebted to our Chief Executive who has managed to control expenditure in line with certain periods when we were below our optimum occupancy levels.

This has seen our investments grow again, though the draw-downs of capital in this and previous years will have a permanent adverse effect on our income from the Pool. The Board is well aware of various legacies without which our deficit would have been much higher.

Further we, like all care homes, are continuing to experience that local authorities will only fund a resident when he or she has advanced dementia or particularly poor physical frailty. Also local authorities are often unwilling to bear the whole cost of care as their own budgets are capped.

Whilst there must be concern about our past operating deficits, the Board considers that it is manageable and does not threaten the continuing activities of the Charity.

b. Investment performance

As stated, the funds of the Charity are mainly invested in a pooled investment fund with the London Sephardi Trust and managed by Walker Crips Ltd. The policy is to adopt a medium risk investment strategy. The returns this year have been satisfactory as mentioned in the following figures.

The value of the Charity's investments as at 1 November 2020 is £866,399 (2019: £1,104,553). There was a capital withdrawal of £150,000 the year (2019: £Nil).

c. Going concern

As explained in note 22, the company has ceased trading since the balance sheet date. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

d. Controls

The Treasurer reviews the financial performance and cash flow of the Charity on an ongoing basis, together with the Accounts Manager. The Board of Directors is regularly updated with current financial reports which show actual income and expenditure against budget to date. Close scrutiny is made of all items with significant variances to determine the appropriate management action.

e. Fundraising and sources of income

Given the financial demands on the Charity and the ever increasing cost of providing care and support, the Charity is fortunate to receive a small annual amount from donations and a significant amount of income from its investments with the London Sephardi Trust and is grateful for the generosity and interest in the Home given by the Friends of Choice House.

f. Reserves policy

The unrestricted funds arise from past operating results, but also include the long leasehold property of Choice House and Choice Court as well as other investments. We have instant or relatively quick access to funds in the Pool investment which can be released by special arrangement at short notice. This and the collection of charges due from residents is more than adequate in the opinion of the Board of Directors to meet the foreseeable contractual obligations to staff and provision of care to residents and tenants.

It is the long-term aim of the Board of Trustees to maintain the reserves to a level that will allow the Charity to continue its aim of providing care for the elderly.

g. Investment policy

The capital of the Home is invested under a pooling arrangement with the London Sephardi Trust which is a limited company which looks after the pooled funds of not only the Charity but also the Spanish and Portuguese Jews' Congregation's own capital, the Welfare Board and a variety of smaller charitable funds. One member of the Board of Jewish Choice is a permanent member of the board of the London Sephardi Trust. Funds are withdrawn or invested with this Trust on 31 October of each year, though major withdrawals or additions can be made at other times by special arrangement. Other funds of the Charity are invested in deposit accounts with the Charity's bank.

h. Risk management

The Trustees have assessed the major risks to which Jewish Choice is exposed, in particular those related to the operations and finances of the Charity and are satisfied that systems are in place to mitigate exposure to major risks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

i. Care for the elderly

The Charity is aware of the inherent risks involved in caring for the elderly and reviews are made frequently to see if risks can be minimised. Of particular concern is the continuing risk of terrorism. As the Charity shares the same site as the Synagogue, clearly there is a requirement for enhanced and consequently more expensive security. All senior members of staff have received training from the Community Security Trust (CST) and CST are linked into our CCTV system. The Charity works closely with the local police, the fire department and the local authority as well as the Spanish and Portuguese Jews' Congregation.

A considerable amount of time has been spent by the Board of Directors in considering the future of the Charity. As stated in the previous year's report Choice House is in need of a complete refurbishment. The Board has been advised that before long it may not meet modern compulsory requirements.

The options which were open to the Charity as stated in the previous report and remain open are: -

1. Refurbish the existing premises.
2. Redevelop the existing premises.
3. Sell the site of the existing premises and move towards the Elstree and Borehamwood area.

The Board have brought in outside professional expertise to assist but to date we have not been able to move the third option along. This was due in part to the failure of Hertsmere Council to open their planning consultation. We are looking at all options and we are grateful to Gina Riese for her work in this area.

Structure, governance and management

a. Constitution

The Spanish and Portuguese Jews Home for the Aged is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of Trustees

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Structure, governance and management (continued)

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

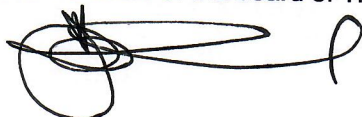
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

PP **B Mocatta**

Date:

29 October 2021



THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 OCTOBER 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



P B Mocatta

Date: 29 October 2021

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED

Opinion

We have audited the financial statements of The Spanish and Portuguese Jews Home for the Aged (the 'charitable company') for the year ended 31 October 2020 which comprise the Statement of financial activities, the balance sheet, the 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 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 charitable company's affairs as at 31 October 2020 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 2.2 and note 26 in the financial statements, which explains that the directors intend to cease trading and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than that as a going concern. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED (CONTINUED)

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company 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 Companies Act 2006 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.


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.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Darsh Shah FCA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

Palladium House

1 - 4 Argyll Street

London

W1F 7LD

Date: 29/10/2021

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	82,046	61,761	143,807	31,532
Charitable activities	5	-	1,709,194	1,709,194	1,936,886
Investments	6	171	26,406	26,577	26,574
Total income		82,217	1,797,361	1,879,578	1,994,992
Expenditure on:					
Charitable activities	7	182,391	1,980,423	2,162,814	2,068,775
Total expenditure		182,391	1,980,423	2,162,814	2,068,775
Net expenditure before net (losses)/gains on investments		(100,174)	(183,062)	(283,236)	(73,783)
Net (losses)/gains on investments		-	(88,154)	(88,154)	43,583
Net movement in funds		(100,174)	(271,216)	(371,390)	(30,200)
Reconciliation of funds:					
Total funds brought forward		104,096	3,792,416	3,896,512	3,926,712
Net movement in funds		(100,174)	(271,216)	(371,390)	(30,200)
Total funds carried forward		3,922	3,521,200	3,525,122	3,896,512

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 33 form part of these financial statements.

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED
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REGISTERED NUMBER: 09583708


BALANCE SHEET
AS AT 31 OCTOBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	2,601,546	2,637,406
Investments	13	866,399	1,104,553
		<u>3,467,945</u>	<u>3,741,959</u>
Current assets			
Debtors	14	51,825	86,925
Cash at bank and in hand		383,377	404,985
		<u>435,202</u>	<u>491,910</u>
Creditors: amounts falling due within one year	15	(378,025)	(337,357)
Net current assets		<u>57,177</u>	<u>154,553</u>
Total assets less current liabilities		<u>3,525,122</u>	<u>3,896,512</u>
Total net assets		<u>3,525,122</u>	<u>3,896,512</u>
Charity funds			
Restricted funds	17	3,922	104,096
Unrestricted funds	17	3,521,200	3,792,416
Total funds		<u>3,525,122</u>	<u>3,896,512</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


 PP B Meeatta

Date: 29 October 2021

The notes on pages 14 to 33 form part of these financial statements.

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(186,555)	35,915
Cash flows from investing activities		
Dividends, interests and rents from investments	26,406	26,848
Proceeds on disposal of investments	150,000	-
Purchase of tangible fixed assets	(11,459)	(43,032)
Net cash provided by/(used in) investing activities	164,947	(16,184)
Change in cash and cash equivalents in the year	(21,608)	19,731
Cash and cash equivalents at the beginning of the year	404,985	385,254
Cash and cash equivalents at the end of the year	383,377	404,985

The notes on pages 14 to 33 form part of these financial statements

THE SPANISH AND PORTUGUESE JEWS HOME FOR THE AGED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

The Spanish and Portuguese Jews Home for the Aged is a private company limited by guarantee incorporated in England and Wales. The registered office is Choice House, 36/44 Forty Avenue, Wembley, Middlesex, HA9 8JP.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Spanish and Portuguese Jews Home for the Aged meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The company has ceased its activities since the balance sheet date. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.4 Income

All income was recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees from residents and local authorities for accommodation and care services are recognised on a receivable basis. Any payments made in advance by clients at the year end are included within creditors.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Government grants

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Land and buildings	- Over the lease term
Motor vehicles	- 20% straight line basis
Fixtures and fittings	- 20% straight line basis

2.8 Investments

Investments represent a share of a Common Investment Fund and are held within fixed assets. The fund includes listed investments, which are stated at mid-market value at the year end, as well as a portfolio of freehold properties. All movements in value arising from revaluation are shown as part of the Statement of Financial Activities. Investments are held primarily to provide an investment return for the Charity.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The charitable company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

The charitable company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Pensions

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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2. Accounting policies (continued)

2.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee to provide termination benefits.

2.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability. The charitable company had no finance leases for the period under review.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

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3. Critical accounting estimates and areas of judgement

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting estimates and assumptions:

Impairment of trade debtors

The charity reviews trade receivable balances for impairment and this is performed on a regular basis. Those balances which are considered to be recoverable remain in receivables and those which are not, are impaired and the impairment loss is recorded in the income statement. In making this judgement, the charity evaluates, among other factors, the duration and the financial health of and short-term business outlook for the trade receivables, including factors such as industry and sector performance. The accounting policy of trade debtors is described in note 2.11. At the year end the carrying amount of trade debtors is stated in note 14.

Useful lives of tangible fixed assets

The cost of tangible fixed assets is depreciated over its estimated useful economic life. Management estimates the useful lives of this tangible assets to vary. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The accounting policy of tangible fixed assets is described in note 2.7. The carrying amount of the company's tangible fixed assets in the balance sheet is disclosed in note 12 of the financial statements.

4. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations and gifts	1,970	61,761	63,731
Legacies receivable	-	-	-
Government grants	80,076	-	80,076
	82,046	61,761	143,807

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4. Income from donations and legacies (continued)

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Donations	4,660	24,872	29,532
Legacies	-	2,000	2,000
	<u>4,660</u>	<u>26,872</u>	<u>31,532</u>

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Income from charitable activities	<u>1,709,194</u>	<u>1,709,194</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Income from charitable activities	<u>1,936,886</u>	<u>1,936,886</u>

6. Investment income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Income from unlisted investments	<u>171</u>	<u>26,406</u>	<u>26,577</u>

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6. Investment income (continued)

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Income from unlisted investments	168	26,406	26,574

7. Charitable activities

	Choice House 2020 £	Choice Court 2020 £	Choice Friendship Club 2020 £	Total funds 2020 £
Staff costs	1,418,344	38,300	3,725	1,460,369
Depreciation and impairment	36,349	10,970	-	47,319
Direct charitable expenses	223,858	3,654	361	227,873
Share of support costs	355,452	57,993	319	413,764
Share of governance costs	11,269	2,220	-	13,489
	2,045,272	113,137	4,405	2,162,814

	Choice House 2019 £	Choice Court 2019 £	Choice Friendship Club 2019 £	Total funds 2019 £
Staff costs	1,347,898	37,600	10,704	1,396,202
Depreciation and impairment	42,795	12,751	-	55,546
Direct charitable expenses	261,036	2,538	582	264,156
Share of support costs	268,689	68,237	1,922	338,848
Share of governance costs	11,227	2,196	600	14,023
	1,931,645	123,322	13,808	2,068,775

Allocation of support costs are based on actual expenditure incurred per site.

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	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Staff costs	76,505	1,383,867	1,460,372
Depreciation and impairment	-	47,319	47,319
Direct charitable expenses	5,033	222,840	227,873
Share of support costs	100,853	412,238	513,091
Share of governance costs	-	13,489	13,489
	182,391	2,079,753	2,262,144

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Staff costs	-	1,396,202	1,396,202
Depreciation and impairment	-	55,546	55,546
Direct charitable expenses	15,514	248,642	264,156
Share of support costs	-	338,848	338,848
Share of governance costs	-	14,023	14,023
	15,514	2,053,261	2,068,775

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8. Support and governance costs

	Support costs - unrestricted funds 2020 £	Support costs - restricted funds 2020 £	Governance costs 2020 £	Total funds 2020 £
Rates	20,775	-	-	20,775
Insurance	43,463	-	-	43,463
Light and heat	86,795	60	-	86,855
Repairs and maintenance	210,722	99,330	-	310,052
Postage and stationery	5,375	-	-	5,375
Telephone and fax	16,968	-	-	16,968
Motor expenses	3,707	95	-	3,802
Legal and professional	26,243	-	-	26,243
Sundry expenses	(1,810)	1,368	-	(442)
Audit fees	-	-	13,489	13,489
	<u>412,238</u>	<u>100,853</u>	<u>13,489</u>	<u>526,580</u>

	Support costs - unrestricted funds 2019 £	Governance costs 2019 £	Total funds 2019 £
Rates	17,886	-	17,886
Insurance	36,348	-	36,348
Light and heat	61,811	-	61,811
Repairs and maintenance	157,471	-	157,471
Postage and stationery	7,177	-	7,177
Telephone and fax	19,966	-	19,966
Motor expenses	4,335	-	4,335
Legal and professional	32,709	-	32,709
Sundry expenses	1,145	-	1,145
Audit fees	-	14,023	14,023
	<u>338,848</u>	<u>14,023</u>	<u>352,871</u>

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9. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	13,489	14,023

10. Staff costs

	2020	2019
	£	£
Wages and salaries	1,351,564	1,279,881
Social security costs	80,510	90,259
Contribution to defined contribution pension schemes	28,295	26,062
	1,460,369	1,396,202

The average number of persons employed by the charitable company during the year was as follows:

	2020	2019
	No.	No.
Full-time	45	49
Part-time	16	18
	61	67

No employee received remuneration amounting to more than £60,000 in either year.

The aggregate compensation of key management personnel for the year was £84,295 (2019: £82,341).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 October 2020, no Trustee expenses have been incurred (2019 - £Nil).

During the year, the charity paid £1,909 (2019 : £1,736) for insurance to indemnify the trustees against the consequences of any alleged or actual wrongful acts in their capacity as trustees.

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12. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 November 2019	2,671,581	42,857	137,767	2,852,205
Additions	-	-	11,459	11,459
At 31 October 2020	2,671,581	42,857	149,226	2,863,664
Depreciation				
At 1 November 2019	107,943	42,856	64,000	214,799
Charge for the year	26,986	-	20,333	47,319
At 31 October 2020	134,929	42,856	84,333	262,118
Net book value				
At 31 October 2020	2,536,652	1	64,893	2,601,546
At 31 October 2019	2,563,638	1	73,767	2,637,406

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13. Fixed asset investments

	Unlisted investments £
Market value	
At 1 November 2019	1,104,553
Disposals	(150,000)
Revaluations	(88,154)
At 31 October 2020	866,399
Net book value	
At 31 October 2020	866,399
At 31 October 2019	1,104,553

The Charity invests in a pooled fund which itself invests in listed investments and property.

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	28,839	61,474
Other debtors	21,197	21,762
Prepayments and accrued income	1,789	3,689
	51,825	86,925

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15. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	13,961	35,293
Other taxation and social security	18,485	21,499
Other creditors	259,972	258,081
Accruals and deferred income	85,607	22,484
	378,025	337,357

16. Financial instruments

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	1,249,776	1,509,538

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17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 October 2020 £
Unrestricted funds					
General Funds - all funds	3,792,416	1,797,361	(1,980,423)	(88,154)	3,521,200
Restricted funds					
Restricted Funds - all funds	104,096	82,217	(182,391)	-	3,922
Total of funds	3,896,512	1,879,578	(2,162,814)	(88,154)	3,525,122

Statement of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 October 2019 £
Unrestricted funds					
General Funds - all funds	3,811,929	1,990,165	(2,053,261)	43,583	3,792,416
Restricted funds					
Restricted Funds - all funds	114,783	4,827	(15,514)	-	104,096
Total of funds	3,926,712	1,994,992	(2,068,775)	43,583	3,896,512

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18. Restricted funds

	Funds brought forward	Incoming resources	Outgoing resources	Total funds
	£	£	£	£
Hackney St John Dr Pacificos Almshouse	3,752	170	-	3,922
Staff Appreciation Fund	1,015	1,970	(2,985)	-
KC Shasha Charitable Foundation	130	-	(130)	-
Building Works Funds	100,000	-	(100,000)	-
Music for Life	(800)	-	800	-
Coronavirus Job Retention Scheme	-	21,510	(21,510)	-
Brent Care Home Grant	-	58,566	(58,566)	-
	104,097	82,216	(182,391)	3,922

The Hackney St John Dr Pacificos Almshouse Charity provides financial assistance to the sick and elderly.

The Staff Appreciation Fund comprises of donations from the families of residents, past and present, for the benefit of staff members.

The KC Shasha Charitable Foundation donated funds for the purchase of a minibus.

A private funder has donated £100,000 to provide for work on the future and current buildings as well as social cases.

In the opinion of the Board of Trustees' sufficient resources are held in an appropriate form to enable the funds to be applied in accordance with any restrictions.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,922	2,597,624	2,601,546
Fixed asset investments	-	866,399	866,399
Current assets	-	435,202	435,202
Creditors due within one year	-	(378,025)	(378,025)
Total	3,922	3,521,200	3,525,122

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	104,096	2,533,310	2,637,406
Fixed asset investments	-	1,104,553	1,104,553
Current assets	-	491,910	491,910
Creditors due within one year	-	(337,357)	(337,357)
Total	104,096	3,792,416	3,896,512

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(371,390)	(30,200)
Adjustments for:		
Depreciation charges	47,319	55,546
Decrease in debtors	35,100	104,620
Increase/(decrease) in creditors	40,668	(23,894)
Investment income recognised in statement of financial activities	(26,406)	(26,574)
Fair value gains and losses on investments	88,154	(43,583)
Net cash provided by/(used in) operating activities	(186,555)	35,915

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	383,377	404,985
Total cash and cash equivalents	383,377	404,985

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22. Analysis of changes in net debt

	At 1 November 2019 £	Cash flows £	At 31 October 2020 £
Cash at bank and in hand	404,985	(21,608)	383,377
	<u>404,985</u>	<u>(21,608)</u>	<u>383,377</u>

23. Operating lease commitments

At 31 October 2020 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	4,534	10,880
Later than 1 year and not later than 5 years	-	4,534
	<u>4,534</u>	<u>15,414</u>

24. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up whilst they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

25. Related party transactions

Except for the disclosures in notes 10 and 11, the Charity has not entered into any further related party transactions during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 October 2020.

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26. Post balance sheet events

In December 2020, the Trustees took the decision to proceed with the closure of the care home, the warden assisted accommodation units and the day centre. At the date of reporting, the closure programme was almost complete. The Trustees estimate that the overall cost of winding down and closing the home will be approximately £250,000. The costs of closure include redundancy costs for carers, administrative and management staff, the losses arising on the disposal of fixtures, fittings and other fixed assets, and the costs of placing residents at other care homes.

A restriction in the terms of the lease for Choice House and Choice Court stipulates that the property must be used for care home activities with the provision that the lease be surrendered to the Freeholder, S&P Synagogue, if this activity ceases. The Trustees are therefore of the opinion that the value of the leasehold interest in the property should be written down to £1 in the subsequent accounting period.