

SMS FOUNDATION

England & Wales · Charity number 1191346

Details

Status Registered

Legal form Charitable company

Company number [12750793](#)

Registered 2020-09-18

Register [View on the Charity Commission register](#)

Contact

Address SMS Foundation
56a Crewys Road
London
NW2 2AD

Phone 07967648246

Email maurice@loudwateruk.com

Activities

Objects: TO ADVANCE SUCH CHARITABLE PURPOSES (ACCORDING TO THE LAW OF ENGLAND AND WALES) AS THE TRUSTEES SEE FIT FROM TIME TO TIME PARTICULARLY BUT NOT LIMITED TO ADVANCING THE JEWISH RELIGION, ADVANCING JEWISH RELIGIOUS EDUCATION AND THE ALLEVIATION OF POVERTY AMONG THE JEWISH COMMUNITY THROUGHOUT THE WORLD.

Activities: To advance such charitable purposes (according to the law of England and Wales) as the trustees see fit from time to time particularly but not limited to advancing the Jewish religion, advancing Jewish religious education and the alleviation of poverty among the Jewish community throughout the world.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** People Of A Particular Ethnic Or Racial Origin

Geography

- Israel
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£228,815	£200,112	-	-
2024-07-31	£142,506	£145,272	-	-
2023-07-31	£192,834	£174,384	-	-
2022-07-31	£197,661	£160,720	-	-
2021-07-31	£1,543,769	£7,890	£1,535,879	0

Trustees

Name	Role	Appointed
Sidney Stanley Stimler	Chair	2020-07-17
Maurice Stimler		2020-07-17
Prina Leah Stimler		2020-07-17

SMS FOUNDATION

England & Wales - Charity number 1191346

Accounts

Charity registration number 1191346 (England and Wales)

Company registration number 12750793

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mr S S Stimler Mr M Stimler Mrs P L Stimler
Charity number	1191346
Company number	12750793
Registered office	Honeypot House 56a Crewys Road London NW2 2AD
Independent examiner	David Finn FCA RDP Newmans LLP Lynwood House Harrow Middlesex

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
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SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2025

The Trustees present their annual report and financial statements for the year ended 31 July 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objects are to advance the Jewish religion, advance Jewish religious education and the alleviation of poverty among the Jewish community throughout the world. SMS Foundation operates with the aim of raising funds in order to advance such charitable purposes (according to the law of England and Wales) as the trustees see fit. The Charity primarily makes grants to Jewish causes but can also choose to make grants to general charities if they feel that this would be an appropriate and effective way of advancing the charity's objectives.

In this context the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in relation to the activities being for the public benefit, as well as, the Equalities Act 2010 when reviewing the Charity's aims and objectives and in planning future activities.

Strategies for achieving aims and objectives

The charity has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. The charity has investments in Limited Partnerships and the purpose of these investments is to create income, then distribute these as charitable donations. The trustees believe the long term quarterly income received from these investments will give longevity to the donations in the future.

Through grants to organisations or individuals the primary work of the charity is grants to UK registered charities. In some instances, grants may be made to overseas entities, which would also be registered charities in their respective jurisdictions.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

Grants above £5,000 can be made only after a meeting at which at least two of the trustees are present and at which minutes have been taken proposing the award of a grant and indicating the trustees' joint agreement thereon.

Grants are to be made after considering the finite level of funding available and how closely the recipient's objectives are in line with those of the charity. All applications for grants are to be made either in writing or in person to one or more trustees.

Trustees will keep a written record of grants awarded and the considerations undertaken.

Grants could be one-off payments or commitments to ongoing payments. The trustees will ensure an appropriate contract is in place for ongoing grants which will include clawback provisions and instalment payments as relevant.

Grant recipients will primarily be organisations registered with the Charity Commission who can provide evidence of full compliance with the reporting requirements, thereby enabling the trustees to place reliance as to the competence and integrity of the organisation.

In the less likely event that grants will be made overseas, the trustees will in such cases require similar and sufficient evidence of compliance with the local reporting requirements for registered charities in that jurisdiction.

In the rare event that a grant is made to an individual, the trustees will be personally familiar with the situation so as to be reliably sure that the cause is genuine, and will, when relevant, require proof of financial standing and other relevant information.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Achievements and performance

The results for the year are set out in the Statement of Financial Activities on page 6.

The Trustees collected donations of £125,000 (2024: £14,650), distribution income from investments amounting to £97,500 (2024: £123,396) and share of income from investment property amounting to £6,315 (2024: £4,460).

Surplus income from the investments held by the charity is distributed as charitable donations in the form of grants to fulfil the charitable objects.

During the year, the charity made charitable grants of £191,850 (2024: £137,500).

Financial review

The distribution income received by SMS foundation totalled £97,500 (2024: £123,396) and share of income from investment property totalled £6,315 (2024: £4,460).

SMS Foundation has a healthy financial position, with closing fund balances amounting to £1,617,207 (2024: £1,588,504), of which no funds relate to restricted funds. An amount of £1,404,961 (2024: £1,392,975) within the closing unrestricted fund balance is held as investments in Limited Partnerships and £111,188 (2024: £111,188) is held in investment property. These proportions of the fund can only be realised by disposing of the investments. Any income from the investments is used for charitable purposes.

The principal funding source was donations and legacies.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Investment policy

In accordance with the Trust Deed, the Trustees have the power to invest in such assets as they see fit.

Major risks

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Subsequent to the year end the charity has continued to make distributions from the surplus funds. The charity will continue to make charitable donations going forward which will be made from the income distributed from the investments held by the charity.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum of Association and Articles of Association adopted 17 July 2020 and registered at Charities Commission on 18 September 2020. The Charity was established under its Articles of Association, which established the objects and powers of the Charity. The Charity's reference and administrative details are as set out within these financial statements.

History

SMS Foundation is a registered charity (charity number: 1191346), with the purpose to advance such charitable purposes (according to the law of England and Wales) the Trustees see fit from time to time particularly but not limited to advancing the Jewish religion, advancing Jewish religious education and the alleviation of poverty among the Jewish community throughout the world.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Mr S S Stimler
Mr M Stimler
Mrs P L Stimler

Recruitment, appointment and terms of office of Trustees

Trustees are appointed in accordance with the Articles of Association.

The Charity has the power to appoint additional Trustees as it sees fit.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Operations and staffing

The Trustees collectively manage the charity with all executive decisions being made by the Trustees.

Risk management

The Trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The Trustees are satisfied that these systems and procedures mitigate any perceived risks.

Introduction and training of Trustees

All Trustees are now already familiar with the practical work of the charity. Induction procedures are in place for new Trustees, with mechanisms in place to keep all the Trustees abreast of developments in the sector.

Fundraising

The Board of Trustees supports raising funds from the public in relation to the core activities. No professional fundraisers or third party commercial participators are used.

Related parties

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

During the year, donations received from related parties without conditions amounted to £125,000 (2024: £nil):

- Barrow, Lane & Ballard Limited, in which Mr Stanley Stimler (Trustee) is a Director, donated £50,000 (2024: £nil).
- The Highland Egg Company, in which Mr Stanley Stimler (Trustee) is a Director, donated £75,000 (2024: £nil).

The Trustees' report was approved by the Board of Trustees.

Mr S S Stimler
Trustee

Mr M Stimler
Trustee

17 February 2026

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2025

The Trustees, who are also the directors of SMS Foundation for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF SMS FOUNDATION**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of SMS Foundation ('the charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

David Finn FCA
RDP Newmans LLP

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

Dated: 18 February 2026

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from:			
Donations and legacies	3	125,000	14,650
Charitable activities	4	103,815	127,856
Total income		<u>228,815</u>	<u>142,506</u>
Expenditure on:			
Raising funds	5	2,841	2,818
Charitable activities	6	191,850	137,500
Other expenditure	10	5,421	4,954
Total expenditure		<u>200,112</u>	<u>145,272</u>
Net income/(expenditure) and movement in funds		28,703	(2,766)
Reconciliation of funds:			
Fund balances at 1 August 2024		1,588,504	1,591,270
Fund balances at 31 July 2025		<u>1,617,207</u>	<u>1,588,504</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 JULY 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Investment property	12		111,188		111,188
Investments	13		1,404,961		1,392,975
			<u>1,516,149</u>		<u>1,504,163</u>
Current assets					
Debtors	14	28,850		9,258	
Cash at bank and in hand		140,008		142,883	
		<u>168,858</u>		<u>152,141</u>	
Creditors: amounts falling due within one year	16	(4,800)		(4,800)	
Net current assets			<u>164,058</u>		<u>147,341</u>
Total assets less current liabilities			<u>1,680,207</u>		<u>1,651,504</u>
Creditors: amounts falling due after more than one year	17		(63,000)		(63,000)
Net assets			<u><u>1,617,207</u></u>		<u><u>1,588,504</u></u>
The funds of the charity					
Unrestricted funds			<u>1,617,207</u>		<u>1,588,504</u>
			<u><u>1,617,207</u></u>		<u><u>1,588,504</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 17 February 2026

Mr S S Stimler
Trustee

Mr M Stimler
Trustee

Company registration number 12750793 (England and Wales)

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

Charity information

SMS Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Honeypot House, 56a Crewys Road, London, NW2 2AD. The Charity is registered at Charities Commission with registration number 1191346.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

Distribution income is recognised on a receivable basis.

1.5 Expenditure

Costs of generating funds are those costs incurred in attracting and administering voluntary income.

Expenditure on charitable activities include both direct costs and those costs incurred in support of the charitable expenditure and have been allocated to the sole charitable activity.

Other expenditure includes the costs of any legal advice to the trustees on governance or constitutional matters, external accountancy and audit costs.

The charity is not registered for VAT so all expenses shown in the Statement Of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies **(Continued)**

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies **(Continued)**

1.10 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

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.

In the view of the Trustees, there are no significant accounting estimates and judgements applied.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	125,000	14,650
	<u> </u>	<u> </u>

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investments		
Investments Limited Partnerships - Distributions	97,500	123,396
Investment Property - Share of profits	6,315	4,460
	<u> </u>	<u> </u>
	<u>103,815</u>	<u>127,856</u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs - bank charges	2,841	2,818
	<u>2,841</u>	<u>2,818</u>

6 Charitable activities

	Grants to institutions	Grants to institutions
	2025	2024
	£	£
Grant funding of activities (see note 7)	191,850	137,500
	<u>191,850</u>	<u>137,500</u>

7 Grants payable

	Grants to institutions	Grants to institutions
	2025	2024
	£	£
Grants to institutions:		
Grants to various other institutions (£4,999 or less)	70,350	40,200
Grants to various other institutions (£5,000 or more)	121,500	97,300
	<u>191,850</u>	<u>137,500</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor were any expenses reimbursed to them.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

9 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Total	-	-
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

The Trustees of the Charity are considered to be key management personnel. Total remuneration in respect of these individuals was £nil (2024: £nil)

10 Other

	Unrestricted	Unrestricted
	funds	funds
	2025	2024
Legal and professional fees	621	154
Accountancy fees	4,800	4,800
	<u>5,421</u>	<u>4,954</u>

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Investment property

	2025
	£
Fair value	
At 1 August 2024 and 31 July 2025	111,188
	<u> </u>

SMS Foundation is a 5% beneficiary of an investment property that is held in Trust.

The trustees having suitable market knowledge considered the above valuation to be a fair reflection of the investment property at 31 July 2025.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

13 Fixed asset investments

	Unlisted investments £	Other investments	Total £
Cost or valuation			
At 1 August 2024	315	1,392,660	1,392,975
Additions	-	32,000	32,000
Repayments	-	(20,013)	(20,013)
	<u>315</u>	<u>1,404,647</u>	<u>1,404,962</u>
At 31 July 2025	315	1,404,647	1,404,962
	<u>315</u>	<u>1,404,647</u>	<u>1,404,962</u>
Carrying amount			
At 31 July 2025	315	1,404,647	1,404,962
	<u>315</u>	<u>1,392,660</u>	<u>1,392,975</u>
	<u>315</u>	<u>1,392,660</u>	<u>1,392,975</u>
		2025	2024
Investments at fair value comprise:		£	£
Investments in Limited Partnerships		1,424,660	1,392,660
		<u>1,424,660</u>	<u>1,392,660</u>

14 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	-	7,200
Prepayments and accrued income	28,850	2,058
	<u>28,850</u>	<u>9,258</u>

15 Loans and overdrafts

	2025 £	2024 £
Bank loans	63,000	63,000
	<u>63,000</u>	<u>63,000</u>
Payable after one year	63,000	63,000
	<u>63,000</u>	<u>63,000</u>

The long-term loans are secured by fixed and floating charges held over the investment property.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

16 Creditors: amounts falling due within one year

	2025	2024
	£	£
Accruals and deferred income	4,800	4,800
	<u>4,800</u>	<u>4,800</u>

17 Creditors: amounts falling due after more than one year

	Notes	2025	2024
		£	£
Bank loans	15	63,000	63,000
		<u>63,000</u>	<u>63,000</u>

18 Unrestricted funds

	At 1 August 2024	Incoming resources	Resources expended	At 31 July 2025
	£	£	£	£
General funds	1,588,504	228,815	(200,112)	1,617,207
	<u>1,588,504</u>	<u>228,815</u>	<u>(200,112)</u>	<u>1,617,207</u>
Previous year:	At 1 August 2023	Incoming resources	Resources expended	At 31 July 2024
	£	£	£	£
General funds	1,591,270	142,506	(145,272)	1,588,504
	<u>1,591,270</u>	<u>142,506</u>	<u>(145,272)</u>	<u>1,588,504</u>

19 Analysis of net assets between funds

	Unrestricted funds 2025 £
At 31 July 2025:	
Investment properties	111,188
Investments	1,404,961
Current assets/(liabilities)	164,058
Long term liabilities	(63,000)
	<u>1,617,207</u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

19 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2024 £
At 31 July 2024:	
Investment properties	111,188
Investments	1,392,975
Current assets/(liabilities)	147,341
Long term liabilities	(63,000)
	<hr/>
	1,588,504 <hr/> <hr/>

20 Related party transactions

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

During the year, donations received from related parties without conditions amounted to £125,000 (2024: £nil):

- Barrow, Lane & Ballard Limited, in which Mr S S Stimler (Trustee) is a Director, donated £50,000 (2024: £nil).
- The Highland Egg Company, in which Mr S S Stimler (Trustee) is a Director, donated £75,000 (2024: £nil).

21 Limited by guarantee

The liability of members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for;

- (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;
- (2) payment of the costs, charges and expenses of winding up; and
- (3) adjustment of the rights of the contributories among themselves.

SMS FOUNDATION

England & Wales - Charity number 1191346

Accounts

Charity registration number 1191346

Company registration number 12750793 (England and Wales)

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mr S S Stimler Mr M Stimler Mrs P L Stimler
Charity number	1191346
Company number	12750793
Registered office	Honeypot House 56a Crewys Road London NW2 2AD
Independent examiner	David Finn FCA RDP Newmans LLP Lynwood House Harrow Middlesex

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
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Statement of financial activities	6
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SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2024

The Trustees present their annual report and financial statements for the year ended 31 July 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objects are to advance the Jewish religion, advance Jewish religious education and the alleviation of poverty among the Jewish community throughout the world. SMS Foundation operates with the aim of raising funds in order to advance such charitable purposes (according to the law of England and Wales) as the trustees see fit. The Charity primarily makes grants to Jewish causes but can also choose to make grants to general charities if they feel that this would be an appropriate and effective way of advancing the charity's objectives.

In this context the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in relation to the activities being for the public benefit, as well as, the Equalities Act 2010 when reviewing the Charity's aims and objectives and in planning future activities.

Strategies for achieving aims and objectives

The charity has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. The charity has investments in Limited Partnerships and the purpose of these investments is to create income, then distribute these as charitable donations. The trustees believe the long term quarterly income received from these investments will give longevity to the donations in the future.

Through grants to organisations or individuals the primary work of the charity is grants to UK registered charities. In some instances, grants may be made to overseas entities, which would also be registered charities in their respective jurisdictions.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

Grant making policy

Grants above £5,000 can be made only after a meeting at which at least two of the trustees are present and at which minutes have been taken proposing the award of a grant and indicating the trustees' joint agreement thereon.

Grants are to be made after considering the finite level of funding available and how closely the recipient's objectives are in line with those of the charity. All applications for grants are to be made either in writing or in person to one or more trustees.

Trustees will keep a written record of grants awarded and the considerations undertaken.

Grants could be one-off payments or commitments to ongoing payments. The trustees will ensure an appropriate contract is in place for ongoing grants which will include clawback provisions and instalment payments as relevant.

Grant recipients will primarily be organisations registered with the Charity Commission who can provide evidence of full compliance with the reporting requirements, thereby enabling the trustees to place reliance as to the competence and integrity of the organisation.

In the less likely event that grants will be made overseas, the trustees will in such cases require similar and sufficient evidence of compliance with the local reporting requirements for registered charities in that jurisdiction.

In the rare event that a grant is made to an individual, the trustees will be personally familiar with the situation so as to be reliably sure that the cause is genuine, and will, when relevant, require proof of financial standing and other relevant information.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance

Significant activities and achievements against objectives

The results for the year are set out in the Statement of Financial Activities on page 6.

The Trustees collected donations of £14,650 (2023: £65,000), distribution income from investments amounting to £123,396 (2023: £121,274) and share of income from investment property amounting to £4,460 (2023: £6,560).

Surplus income from the investments held by the charity is distributed as charitable donations in the form of grants to fulfil the charitable objects.

During the year, the charity made charitable grants of £137,500 (2023: £166,045).

Financial review

The distribution income received by SMS foundation totalled £123,396 (2023: £121,274) and share of income from investment property totalled £4,460 (2023: £6,560).

SMS Foundation has a healthy financial position, with closing fund balances amounting to £1,588,504 (2023: £1,591,270), of which no funds relate to restricted funds. An amount of £1,392,975 (2023: £1,392,975) within the closing unrestricted fund balance is held as investments in Limited Partnerships and £111,188 (2023: £111,188) is held in investment property. These proportions of the fund can only be realised by disposing of the investments. Any income from the investments is used for charitable purposes.

The principal funding source was the distribution and share of income from the investment portfolio.

Reserves policy

Reserves policy and going concern

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Investment policy

Investment policy

In accordance with the Trust Deed, the Trustees have the power to invest in such assets as they see fit.

Major risks

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Subsequent to the year end the charity has continued to make distributions from the surplus funds. The charity will continue to make charitable donations going forward which will be made from the income distributed from the investments held by the charity.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum of Association and Articles of Association adopted 17 July 2020 and registered at Charities Commission on 18 September 2020. The Charity was established under its Articles of Association, which established the objects and powers of the Charity. The Charity's reference and administrative details are as set out within these financial statements.

History

SMS Foundation is a registered charity (charity number: 1191346), with the purpose to advance such charitable purposes (according to the law of England and Wales) the Trustees see fit from time to time particularly but not limited to advancing the Jewish religion, advancing Jewish religious education and the alleviation of poverty among the Jewish community throughout the world.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr S S Stimler
Mr M Stimler
Mrs P L Stimler

Recruitment and appointment of trustees

Recruitment, appointment and terms of office of Trustees

Trustees are appointed in accordance with the Articles of Association.

The Charity has the power to appoint additional Trustees as it sees fit.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Operations and staffing

The Trustees collectively manage the charity with all executive decisions being made by the Trustees.

Risk management

The Trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The Trustees are satisfied that these systems and procedures mitigate any perceived risks.

Induction and training of trustees

Introduction and training of Trustees

All Trustees are now already familiar with the practical work of the charity. Induction procedures are in place for new Trustees, with mechanisms in place to keep all the Trustees abreast of developments in the sector.

Remuneration policy

Fundraising

The Board of Trustees supports raising funds from the public in relation to the core activities. No professional fundraisers or third party commercial participators are used.

Related parties

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

During the year, donations of £Nil (2023: £10,000) were received from Barrow, Lane & Ballard Limited, A company that is related by virtue of one of the trustees, Mr S S Stimler, being a director.

The Trustees' report was approved by the Board of Trustees.


.....

Mr S S Stimler
Trustee


.....

Mr M Stimler
Trustee

Date: 05/03/2025.....

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2024

The Trustees, who are also the directors of SMS Foundation for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF SMS FOUNDATION**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of SMS Foundation ('the charitable company') for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

David Finn FCA
RDP Newmans LLP

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

Dated: 05/03/2025

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	14,650	65,000
Charitable activities	4	4,460	6,560
Investments	5	123,396	121,274
Total income		<u>142,506</u>	<u>192,834</u>
Expenditure on:			
Raising funds	6	2,818	3,527
Charitable activities	7	137,500	166,045
Other expenditure	11	4,954	4,812
Total expenditure		<u>145,272</u>	<u>174,384</u>
Net income/(expenditure) and movement in funds		(2,766)	18,450
Reconciliation of funds:			
Fund balances at 1 August 2023		<u>1,591,270</u>	<u>1,572,820</u>
Fund balances at 31 July 2024		<u>1,588,504</u>	<u>1,591,270</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 JULY 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Investment property	13		111,188		111,188
Investments	14		1,392,975		1,392,975
			<u>1,504,163</u>		<u>1,504,163</u>
Current assets					
Debtors	15	9,258		31,796	
Cash at bank and in hand		142,883		123,111	
		<u>152,141</u>		<u>154,907</u>	
Creditors: amounts falling due within one year	17	(4,800)		(4,800)	
Net current assets			<u>147,341</u>		<u>150,107</u>
Total assets less current liabilities			<u>1,651,504</u>		<u>1,654,270</u>
Creditors: amounts falling due after more than one year	18		(63,000)		(63,000)
Net assets			<u><u>1,588,504</u></u>		<u><u>1,591,270</u></u>
The funds of the charity					
Unrestricted funds			<u>1,588,504</u>		<u>1,591,270</u>
			<u><u>1,588,504</u></u>		<u><u>1,591,270</u></u>


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2024.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 05/03/2025.....


.....
Mr S S Stimler
Trustee


.....
Mr M Stimler
Trustee

Company registration number 12750793 (England and Wales)

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

Charity information

SMS Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Honeypot House, 56a Crewys Road, London, NW2 2AD. The Charity is registered at Charities Commission with registration number 1191346.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

Distribution income is recognised on a receivable basis.

1.5 Expenditure

Costs of generating funds are those costs incurred in attracting and administering voluntary income.

Expenditure on charitable activities include both direct costs and those costs incurred in support of the charitable expenditure and have been allocated to the sole charitable activity.

Other expenditure includes the costs of any legal advice to the trustees on governance or constitutional matters, external accountancy and audit costs.

The charity is not registered for VAT so all expenses shown in the Statement Of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies **(Continued)**

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies **(Continued)**

1.10 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

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.

In the view of the Trustees, there are no significant accounting estimates and judgements applied.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	14,650	65,000

4 Charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Share of income - investment property	4,460	6,560

5 Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Investment income	123,396	121,274

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs - bank charges	2,818	3,527
	<u>2,818</u>	<u>3,527</u>

7 Charitable activities

	Grants to institutions	Grants to institutions
	2024	2023
	£	£
Grant funding of activities (see note 8)	137,500	166,045
	<u>137,500</u>	<u>166,045</u>

8 Grants payable

	Grants to institutions	Grants to institutions
	2024	2023
	£	£
Grants to various other institutions (£4,999 or less)	40,200	81,045
Grants to various other institutions (£5,000 or more)	97,300	85,000
	<u>137,500</u>	<u>166,045</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor were any expenses reimbursed to them.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-
	<u>-</u>	<u>-</u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

10 Employees **(Continued)**

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

The Trustees of the Charity are considered to be key management personnel. Total remuneration in respect of these individuals was £nil (2023: £nil)

11 Other

	Unrestricted funds	Unrestricted funds
	2024	2023
Legal and professional fees	154	12
Accountancy fees	4,800	4,800
	4,954	4,812
	4,954	4,812

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Investment property

	2024
	£
Fair value	
At 1 August 2023 and 31 July 2024	111,188

SMS Foundation is a 5% beneficiary of an investment property that is held in Trust.

The trustees having suitable market knowledge considered the above valuation to be a fair reflection of the investment property at 31 July 2024.

14 Fixed asset investments

	Unlisted investments	Other investments	Total
	£		£
Cost or valuation			
At 1 August 2023 & 31 July 2024	315	1,392,660	1,392,975
Carrying amount			
At 31 July 2024	315	1,392,660	1,392,975
At 31 July 2023	315	1,392,660	1,392,975

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

14 Fixed asset investments	(Continued)	
	2024	2023
	£	£
Investments at fair value comprise:		
Investments in Limited Partnerships	1,392,660	1,392,660
	<u>1,392,660</u>	<u>1,392,660</u>
15 Debtors	2024	2023
	£	£
Amounts falling due within one year:		
Other debtors	7,200	-
Prepayments and accrued income	2,058	31,796
	<u>9,258</u>	<u>31,796</u>
	<u>9,258</u>	<u>31,796</u>
16 Loans and overdrafts	2024	2023
	£	£
Bank loans	63,000	63,000
	<u>63,000</u>	<u>63,000</u>
Payable after one year	63,000	63,000
	<u>63,000</u>	<u>63,000</u>
	<u>63,000</u>	<u>63,000</u>
 The long-term loans are secured by fixed and floating charges held over the investment property.		
17 Creditors: amounts falling due within one year	2024	2023
	£	£
Accruals and deferred income	4,800	4,800
	<u>4,800</u>	<u>4,800</u>
	<u>4,800</u>	<u>4,800</u>
18 Creditors: amounts falling due after more than one year	2024	2023
	£	£
Bank loans	63,000	63,000
	<u>63,000</u>	<u>63,000</u>
	<u>63,000</u>	<u>63,000</u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

19 Unrestricted funds

	At 1 August 2023 £	Incoming resources £	Resources expended £	At 31 July 2024 £
General funds	1,591,270	142,506	(145,272)	1,588,504
Previous year:	At 1 August 2022 £	Incoming resources £	Resources expended £	At 31 July 2023 £
General funds	1,572,820	192,834	(174,384)	1,591,270

20 Analysis of net assets between funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fund balances at 31 July 2024 are represented by:		
Investment properties	111,188	111,188
Investments	1,392,975	1,392,975
Current assets	152,141	154,907
Current liabilities	(4,800)	(4,800)
Long term liabilities	(63,000)	(63,000)
	<u>1,588,504</u>	<u>1,591,270</u>

21 Limited by guarantee

The liability of members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for;

- (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;
- (2) payment of the costs, charges and expenses of winding up; and
- (3) adjustment of the rights of the contributories among themselves.

SMS FOUNDATION

England & Wales - Charity number 1191346

Accounts

Charity registration number 1191346

Company registration number 12750793 (England and Wales)

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mr S S Stimler Mr M Stimler Mrs P L Stimler
Charity number	1191346
Company number	12750793
Registered office	Honeypot House 56a Crewys Road London NW2 2AD
Independent examiner	David Finn FCA RDP Newmans LLP Lynwood House Harrow Middlesex

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
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Statement of financial activities	6
Balance sheet	7
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SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2023

The Trustees present their annual report and financial statements for the year ended 31 July 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Objectives and activities

The charity's objects are to advance the Jewish religion, advance Jewish religious education and the alleviation of poverty among the Jewish community throughout the world. SMS Foundation operates with the aim of raising funds in order to advance such charitable purposes (according to the law of England and Wales) as the trustees see fit. The Charity primarily makes grants to Jewish causes but can also choose to make grants to general charities if they feel that this would be an appropriate and effective way of advancing the charity's objectives.

In this context the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in relation to the activities being for the public benefit, as well as, the Equalities Act 2010 when reviewing the Charity's aims and objectives and in planning future activities.

Strategies for achieving aims and objectives

The charity has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. The charity has investments in Limited Partnerships and the purpose of these investments is to create income, then distribute these as charitable donations. The trustees believe the long term quarterly income received from these investments will give longevity to the donations in the future.

Through grants to organisations or individuals the primary work of the charity is grants to UK registered charities. In some instances, grants may be made to overseas entities, which would also be registered charities in their respective jurisdictions.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

Grant making policy

Grants above £5,000 can be made only after a meeting at which at least two of the trustees are present and at which minutes have been taken proposing the award of a grant and indicating the trustees' joint agreement thereon.

Grants are to be made after considering the finite level of funding available and how closely the recipient's objectives are in line with those of the charity. All applications for grants are to be made either in writing or in person to one or more trustees.

Trustees will keep a written record of grants awarded and the considerations undertaken.

Grants could be one-off payments or commitments to ongoing payments. The trustees will ensure an appropriate contract is in place for ongoing grants which will include clawback provisions and instalment payments as relevant.

Grant recipients will primarily be organisations registered with the Charity Commission who can provide evidence of full compliance with the reporting requirements, thereby enabling the trustees to place reliance as to the competence and integrity of the organisation.

In the less likely event that grants will be made overseas, the trustees will in such cases require similar and sufficient evidence of compliance with the local reporting requirements for registered charities in that jurisdiction.

In the rare event that a grant is made to an individual, the trustees will be personally familiar with the situation so as to be reliably sure that the cause is genuine, and will, when relevant, require proof of financial standing and other relevant information.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance

Significant activities and achievements against objectives

The results for the year are set out in the Statement of Financial Activities on page 7.

The Trustees collected donations of £65,000 (2022: £Nil), distribution income from investments amounting to £121,274 (2022: £194,843) and share of income from investment property amounting to £6,560 (2022: £2,818).

Surplus income from the investments held by the charity is distributed as charitable donations in the form of grants to fulfil the charitable objects.

During the year, the charity made charitable grants of £166,045 (2022: £151,510).

Financial review

The distribution income received by SMS foundation totalled £121,274 (2022: £194,843) and share of income from investment property totalled £6,560 (2022: 2,818).

SMS Foundation has a healthy financial position, with closing fund balances amounting to £1,591,270 (2022: £1,572,820), of which no funds relate to restricted funds. An amount of £1,392,975 (2022: £1,405,718) within the closing unrestricted fund balance is held as investments in the Limited Partnerships and £111,188 (2022: £111,188) is held in investment property. These proportions of the fund can only be realised by disposing of the investments. Any income from the investments is used for charitable purposes.

The principal funding source was the distribution and share of income from the investment portfolio.

Reserves policy

Reserves policy and going concern

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Investment policy

Investment policy

In accordance with the Trust Deed, the Trustees have the power to invest in such assets as they see fit.

Major risks

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

Plans for the future

Subsequent to the year end the charity has continued to make distributions from the surplus funds. The charity will continue to make charitable donations going forward which will be made from the income distributed from the investments held by the charity.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum of Association and Articles of Association adopted 17 July 2020 and registered at Charities Commission on 18 September 2020. The Charity was established under its Articles of Association, which established the objects and powers of the Charity. The Charity's reference and administrative details are as set out within these financial statements.

History

SMS Foundation is a registered charity (charity number: 1191346), with the purpose to advance such charitable purposes (according to the law of England and Wales) the Trustees see fit from time to time particularly but not limited to advancing the Jewish religion, advancing Jewish religious education and the alleviation of poverty among the Jewish community throughout the world.

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr S S Stimler
Mr M Stimler
Mrs P L Stimler

Recruitment and appointment of trustees

Recruitment, appointment and terms of office of Trustees

Trustees are appointed in accordance with the Articles of Association.

The Charity has the power to appoint additional Trustees as it sees fit.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Operations and staffing

The Trustees collectively manage the charity with all executive decisions being made by the Trustees.

Risk management

The Trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The Trustees are satisfied that these systems and procedures mitigate any perceived risks.

Induction and training of trustees

Introduction and training of Trustees

All Trustees are now already familiar with the practical work of the charity. Induction procedures are in place for new Trustees, with mechanisms in place to keep all the Trustees abreast of developments in the sector.

Remuneration policy

Fundraising


The Board of Trustees supports raising funds from the public in relation to the core activities. No professional fundraisers or third party commercial participators are used.

Related parties

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

During the year, donations of £10,000 (2022 £nil) were received from Barrow, Lane & Ballard Limited, A company that is related by virtue of one of the trustees, Mr S S Stimler, being a director.

The Trustees' report was approved by the Board of Trustees.


.....
Mr S S Stimler
Trustee


.....
Mr M Stimler
Trustee

Date:20 MAR 2024.....

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2023

The Trustees, who are also the directors of SMS Foundation for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF SMS FOUNDATION**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of SMS Foundation ('the charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


David Finn FCA
RDP Newmans LLP

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

Dated:20...MAR 2024

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	65,000	-
Charitable activities	4	6,560	2,818
Investments	5	121,274	194,843
Total income		<u>192,834</u>	<u>197,661</u>
Expenditure on:			
Raising funds	6	3,527	4,180
Charitable activities	7	166,045	151,510
Other expenditure	11	4,812	5,030
Total expenditure		<u>174,384</u>	<u>160,720</u>
Net income and movement in funds		18,450	36,941
Reconciliation of funds:			
Fund balances at 1 August 2022		1,572,820	1,535,879
Fund balances at 31 July 2023		<u><u>1,591,270</u></u>	<u><u>1,572,820</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 JULY 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investment property	13		111,188		111,188
Investments	14		1,392,975		1,405,718
			<u>1,504,163</u>		<u>1,516,906</u>
Current assets					
Debtors	15	31,796		27,019	
Cash at bank and in hand		123,111		96,804	
		<u>154,907</u>		<u>123,823</u>	
Creditors: amounts falling due within one year	17	4,800		4,909	
Net current assets			<u>150,107</u>		<u>118,914</u>
Total assets less current liabilities			<u>1,654,270</u>		<u>1,635,820</u>
Creditors: amounts falling due after more than one year	18		(63,000)		(63,000)
Net assets			<u><u>1,591,270</u></u>		<u><u>1,572,820</u></u>
The funds of the charity					
Unrestricted funds			<u>1,591,270</u>		<u>1,572,820</u>
			<u><u>1,591,270</u></u>		<u><u>1,572,820</u></u>


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.


The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 20 MAR 2024



 Mr S S Stimler
 Trustee



 Mr M Stimler
 Trustee

Company registration number 12750793 (England and Wales)

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Charity information

SMS Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Honeypot House, 56a Crewys Road, London, NW2 2AD. The Charity is registered at Charities Commission with registration number 1191346.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

Distribution income is recognised on a receivable basis.

1.5 Expenditure

Costs of generating funds are those costs incurred in attracting and administering voluntary income.

Expenditure on charitable activities include both direct costs and those costs incurred in support of the charitable expenditure and have been allocated to the sole charitable activity.

Other expenditure includes the costs of any legal advice to the trustees on governance or constitutional matters, external accountancy and audit costs.

The charity is not registered for VAT so all expenses shown in the Statement Of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies **(Continued)**

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies **(Continued)**

1.10 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

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.

In the view of the Trustees, there are no significant accounting estimates and judgements applied.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	65,000	-

4 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Share of income - investment property	6,560	2,818

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Investment income	121,274	194,843

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs - bank charges	3,527	4,180
	<u>3,527</u>	<u>4,180</u>

7 Charitable activities

	Grants to institutions	Grants to institutions
	2023	2022
	£	£
Grant funding of activities (see note 8)	166,045	151,510
	<u>166,045</u>	<u>151,510</u>

8 Grants payable

	Grants to institutions	Grants to institutions
	2023	2022
	£	£
Grants to various other institutions (£4,999 or less)	81,045	86,310
Grants to various other institutions (£5,000 or more)	85,000	65,200
	<u>166,045</u>	<u>151,510</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor were any expenses reimbursed to them.

10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Total	<u>-</u>	<u>-</u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

10 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

The Trustees of the Charity are considered to be key management personnel. Total remuneration in respect of these individuals was £nil (2022: £nil)

11 Other

	Unrestricted funds	Unrestricted funds
	2023	2022
Legal and professional	12	230
Accountancy fees	4,800	4,800
	<u>4,812</u>	<u>5,030</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Investment property

	2023
	£
Fair value	
At 1 August 2022 and 31 July 2023	<u>111,188</u>

SMS Foundation is a 5% beneficiary of an investment property that is held in Trust.

The Trustees having suitable market knowledge considered the above valuation to be a fair reflection of the investment property at 31 July 2023.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

14 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 August 2022	1,405,718
Additions	224,843
Disposals	(237,586)
At 31 July 2023	<u>1,392,975</u>
Carrying amount	
At 31 July 2023	<u>1,392,975</u>
At 31 July 2022	<u>1,405,718</u>

	2023 £	2022 £
Investments at fair value comprise:		
Investments in Limited Partnerships	<u>1,405,768</u>	<u>1,405,718</u>

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>31,796</u>	<u>27,019</u>

16 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>63,000</u>	<u>63,000</u>
Payable after one year	<u>63,000</u>	<u>63,000</u>

The long-term loans are secured by fixed and floating charges held over the investment property.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	-	109
Accruals and deferred income	4,800	4,800
	<u>4,800</u>	<u>4,909</u>

18 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	16	63,000	63,000
		<u>63,000</u>	<u>63,000</u>

19 Unrestricted funds

	At 1 August 2022 £	Incoming resources £	Resources expended £	At 31 July 2023 £
General funds	1,572,820	192,834	(174,384)	1,591,270
	<u>1,572,820</u>	<u>192,834</u>	<u>(174,384)</u>	<u>1,591,270</u>
Previous year:	At 1 August 2021 £	Incoming resources £	Resources expended £	At 31 July 2022 £
General funds	1,535,879	197,661	(160,720)	1,572,820
	<u>1,535,879</u>	<u>197,661</u>	<u>(160,720)</u>	<u>1,572,820</u>

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fund balances at 31 July 2023 are represented by:		
Investment properties	111,188	111,188
Investments	1,392,975	1,405,718
Current assets	123,111	123,823
Current liabilities	(4,800)	(4,909)
Long term liabilities	(63,000)	(63,000)
	<u>1,559,474</u>	<u>1,572,820</u>

21 Related party transactions

During the year, donations of £10,000 were received from Barrow, Lane & Ballard Limited, a company that is related by virtue of one of the trustees, Mr S S Stimler, being a director of the company.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

22 Limited by guarantee

The liability of members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for;

- (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;
- (2) payment of the costs, charges and expenses of winding up; and
- (3) adjustment of the rights of the contributories among themselves.

SMS FOUNDATION

England & Wales - Charity number 1191346

Accounts

Charity registration number 1191346

Company registration number 12750793 (England and Wales)

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mr S S Stimler Mr M Stimler Mrs L P Stimler
Charity number	1191346
Company number	12750793
Registered office	Honeypot House 56a Crewys Road London NW2 2AD
Independent examiner	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS**

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Statement of financial activities	6
Balance sheet	7
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SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 JULY 2022

The Trustees present their annual report and financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Principal aims, objectives and activities

The charity's objects are to advance the Jewish religion, advance Jewish religious education and the alleviation of poverty among the Jewish community throughout the world. SMS Foundation operates with the aim of raising funds in order to advance such charitable purposes (according to the law of England and Wales) as the trustees see fit. The Charity primarily makes grants to Jewish causes but can also choose to make grants to general charities if they feel that this would be an appropriate and effective way of advancing the charity's objectives.

In this context the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in relation to the activities being for the public benefit, as well as, the Equalities Act 2010 when reviewing the Charity's aims and objectives and in planning future activities.

The charity has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. The charity has investments in Limited Partnerships and the purpose of these investments is to create income, then distribute these as charitable donations. The trustees believe the long term quarterly income received from these investments will give longevity to the donations in the future.

Through grants to organisations or individuals the primary work of the charity is grants to UK registered charities. In some instances, grants may be made to overseas entities, which would also be registered charities in their respective jurisdictions.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

Grants above £5,000 can be made only after a meeting at which at least 2 of the trustees are present and at which Minutes have been taken proposing the award of a grant and indicating the trustees' joint agreement thereon.

Grants are to be made after considering the finite level of funding available and how closely the recipient's objectives are in line with those of the charity. All applications for grants are to be made either in writing or in person to 1 or more trustee.

Trustees will keep a written record of grants awarded and the considerations undertaken.

Grants could be one-off payments or commitments to ongoing payments. The trustees will ensure an appropriate contract is in place for ongoing grants which will include clawback provisions and instalment payments as relevant.

Grant recipients will primarily be organisations registered with the Charity Commission who can provide evidence of full compliance with the reporting requirements, thereby enabling the trustees to place reliance as to the competence and integrity of the organisation.

In the less likely event that grants will be made overseas, the trustees will in such cases require similar and sufficient evidence of compliance with the local reporting requirements for registered charities in that jurisdiction.

In the rare event that a grant is made to an individual, the trustees will be personally familiar with the situation so as to be reliably sure that the cause is genuine, and will, when relevant, require proof financial standing and other relevant information.

SMS FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Achievements and performance

The results for the year are set out in the Statement of Financial Activities on page 7.

The Trustees collected donations of £nil (2021: £1,510,000), distribution income amounting to £194,843 (2021: £33,769) and share of income amounting to £2,818 (2021: £nil)

The charity made an additional investment in the year totaling £111,188 to be a 5% beneficiary of an investment property that is held in Trust, with the aim of generating income. Surplus income from the investments held by the charity is distributed as charitable donations in the form of long term quarterly grants to fulfil the charitable objects.

During the year, the charity made charitable grants of £151,510 (2021: £nil).

Financial review

The distribution income received by SMS foundation totalled £194,843 and share of income totalled £2,818.

SMS Foundation has a healthy financial position, with closing fund balances amounting to £1,572,820, of which no funds relate to restricted funds. Furthermore, an amount of £1,405,718 within the closing unrestricted fund balance is held as investments in the Limited Partnerships and £111,188 is held in investment property. These proportions of the fund can only be realised by disposing of the investments. Therefore, any income from the investments are used for charitable purposes.

The principal funding source was the distribution and share of income from the investment portfolio.

Reserves policy and going concern

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Investment policy

In accordance with the Trust Deed, the Trustees have the power to invest in such assets as they see fit.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Post year end the charity has continued to make distributions from the surplus funds. The charity will continue to make charitable donations going forward which will be made from the income distributed from the investments held by the charity.

The Trustees have assessed the impact of the Coronavirus pandemic on the charity and are of the opinion that this should not materially impact the charity in the long term.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum of Association and Articles of Association adopted 17 July 2020 and registered at Charities Commission on 18 September 2020. The Charity was established under its Articles of Association, which established the objects and powers of the Charity. The Charity's reference and administrative details are as set out within these financial statements.

History

SMS Foundation is a registered charity (charity number: 1191346), with the purpose to advance such charitable purposes (according to the law of England and Wales) the Trustees see fit from time to time particularly but not limited to advancing the Jewish religion, advancing Jewish religious education and the alleviation of poverty among the Jewish community throughout the world.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr S S Stimler

Mr M Stimler

Mrs L P Stimler

Recruitment, appointment and terms of office of Trustees

Trustees are appointed in accordance with the Articles of Association.

The Charity has the power to appoint additional Trustees as it sees fit.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Operations and staffing

The Trustees collectively manage the charity with all executive decisions being made by the Trustees.

Risk management

The Trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The Trustees are satisfied that these systems and procedures mitigate any perceived risks.

Coronavirus pandemic

The Trustees have assessed the impact of the global Coronavirus pandemic and subsequent intervention from governments worldwide. The Trustees monitor the situation and respond to changes as necessary.

Introduction and training of Trustees

All Trustees are now already familiar with the practical work of the charity. Induction procedures are in place for new Trustees, with mechanisms in place to keep all the Trustees abreast of developments in the sector.

Fundraising

The Board of Trustees supports raising funds from the public in relation to our core activities. No professional fundraisers or third party commercial participators are used.

Related parties

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

During the year, no donations (2021: £1,510,000) were received from Loudwater Trade and Finance Limited. A company that is related by virtue of the Trustees Mr S S Stimler and Mr M Stimler also being the directors and shareholders.

The Trustees' report was approved by the Board of Trustees.

Mr S S Stimler
Trustee

Mr M Stimler
Trustee

3 January 2023

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2022

The Trustees, who are also the directors of SMS Foundation for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF SMS FOUNDATION**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of SMS Foundation ('the charitable company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

David Finn FCA
RDP Newmans LLP

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

Dated: 3 January 2023

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	-	1,510,000
Charitable activities	4	2,818	-
Investments	5	194,843	33,769
Total income		197,661	1,543,769
<u>Expenditure on:</u>			
Raising funds	6	4,180	1,890
Charitable activities	7	151,510	-
Other	11	5,030	6,000
Total expenditure		160,720	7,890
Net income for the year/ Net movement in funds		36,941	1,535,879
Fund balances at 1 August 2021		1,535,879	-
Fund balances at 31 July 2022		1,572,820	1,535,879

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 JULY 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investment properties	12		111,188		-
Investments	13		1,405,718		1,405,718
			<u>1,516,906</u>		<u>1,405,718</u>
Current assets					
Debtors	14	27,019		39,919	
Cash at bank and in hand		96,804		96,242	
		<u>123,823</u>		<u>136,161</u>	
Creditors: amounts falling due within one year	16	<u>(4,909)</u>		<u>(6,000)</u>	
Net current assets			<u>118,914</u>		<u>130,161</u>
Total assets less current liabilities			<u>1,635,820</u>		<u>1,535,879</u>
Creditors: amounts falling due after more than one year	17		<u>(63,000)</u>		<u>-</u>
Net assets			<u><u>1,572,820</u></u>		<u><u>1,535,879</u></u>
Income funds					
Unrestricted funds			<u>1,572,820</u>		<u>1,535,879</u>
			<u><u>1,572,820</u></u>		<u><u>1,535,879</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 3 January 2023

Mr S S Stimler
Trustee

Mr M Stimler
Trustee

Company registration number 12750793

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

SMS Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Honeypot House, 56a Crewys Road, London, NW2 2AD. The Charity is registered at Charities Commission with registration number 1191346.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

Distribution income is recognised on a receivable basis.

1.5 Expenditure

Costs of generating funds are those costs incurred in attracting and administering voluntary income.

Expenditure on charitable activities include both direct costs and those costs incurred in support of the charitable expenditure and have been allocated to the sole charitable activity.

Other expenditure includes the costs of any legal advice to the trustees on governance or constitutional matters, external accountancy and audit costs.

The charity is not registered for VAT so all expenses shown in the Statement Of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies **(Continued)**

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies **(Continued)**

1.10 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

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.

In the view of the Trustees, there are no significant accounting estimates and judgements applied.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	-	1,510,000
	<u> </u>	<u> </u>

4 Charitable activities

	Share of income	Share of income
	2022	2021
	£	£
Share of income	2,818	-
	<u> </u>	<u> </u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Investment income	194,843	33,769
	<u>194,843</u>	<u>33,769</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs - bank charges	4,180	1,890
	<u>4,180</u>	<u>1,890</u>

7 Charitable activities

	Grants to institutions	Grants to institutions
	2022	2021
	£	£
Grant funding of activities (see note 8)	151,510	-
	<u>151,510</u>	<u>-</u>

8 Grants payable

	Grants to institutions	Grants to institutions
	2022	2021
	£	£
Grants to institutions (64 grants):		
Friends of KH	5,200	-
Grants to various other institutions (£5,000 or less)	146,310	-
	<u>151,510</u>	<u>-</u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, nor were any expenses reimbursed to them.

10 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Total	-	-
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

11 Other

	Unrestricted	Unrestricted
	funds	funds
	2022	2021
Legal and professional	230	-
Accountancy fees	4,800	-
Auditors remuneration	-	6,000
	<u> </u>	<u> </u>
	5,030	6,000
	<u> </u>	<u> </u>

12 Investment property

	2022
	£
Fair value	
At 1 August 2021	-
Additions through external acquisition	111,188
	<u> </u>
At 31 July 2022	111,188
	<u> </u>

SMS Foundation is a 5% beneficiary of an investment property that is held in Trust.

The Trustees having suitable market knowledge considered the above valuation to be a fair reflection of the investment property at 31 July 2022.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

12 Investment property **(Continued)**

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022	2021
	£	£
Cost	111,188	-
Accumulated depreciation	-	-
	111,188	-
Carrying amount	111,188	-

13 Fixed asset investments

		Unlisted investments
		£
Cost or valuation		
At 1 August 2021 & 31 July 2022		1,405,718
Carrying amount		
At 31 July 2022		1,405,718
At 31 July 2021		1,405,718

	2022	2021
	£	£
Investments at fair value comprise:		
Investments in Limited Liability Partnerships	1,405,718	1,405,718
	1,405,718	1,405,718

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	-	28,328
Prepayments and accrued income	27,019	11,591
	27,019	39,919
	27,019	39,919

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

15 Loans and overdrafts

	2022	2021
	£	£
Bank loans	63,000	-
Payable after one year	63,000	-

The long-term loans are secured by fixed and floating charges held over the investment property.

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other creditors	109	-
Accruals and deferred income	4,800	6,000
	4,909	6,000

17 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	15	63,000	-

18 Analysis of net assets between funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fund balances at 31 July 2022 are represented by:		
Investment properties	111,188	-
Investments	1,405,718	1,405,718
Current assets	123,823	136,161
Current liabilities	(4,909)	(6,000)
Long term liabilities	(63,000)	-
	1,572,820	1,535,879

19 Related party transactions

The Trustees of the Charity are considered to be key management personnel. Total remuneration in respect of these individuals is given in note 10.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

19 Related party transactions

(Continued)

During the year, no donations (2021: £1,510,000) were received from Loudwater Trade and Finance Limited. A company that is related by virtue of the Trustees Mr S S Stimler and Mr M Stimler also being the directors and shareholders.

20 Limited by guarantee

The liability of members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for;

- (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;
- (2) payment of the costs, charges and expenses of winding up; and
- (3) adjustment of the rights of the contributories among themselves.

SMS FOUNDATION

England & Wales - Charity number 1191346

Accounts

Charity Registration No. 1191346

Company Registration No. 12750793 (England and Wales)

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr S S Stimler Mr M Stimler Mrs L P Stimler	(Appointed 17 July 2020) (Appointed 17 July 2020) (Appointed 17 July 2020)
Charity number	1191346	
Company number	12750793	
Registered office	Honeypot House 56a Crewys Road London NW2 2AD	
Auditor	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW	

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
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SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE PERIOD ENDED 31 JULY 2021

The Trustees present their report and financial statements for the period ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

Principal aims, objectives and activities

The charity's objects are to advance the Jewish religion, advance Jewish religious education and the alleviation of poverty among the Jewish community throughout the world. SMS Foundation operates with the aim of raising funds in order to advance such charitable purposes (according to the law of England and Wales) as the trustees see fit. The Trustees will primarily make grants to Jewish causes but also choose to make grants to general charities if they feel that this would be an appropriate and effective way of advancing the charity's objectives.

In this context the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in relation to the activities being for the public benefit, as well as, the Equalities Act 2010 when reviewing the Charity's aims and objectives and in planning future activities.

The charity has power to do anything which is calculated to further its objects or is conducive or incidental to doing so. During the period the charity has invested in 3 Limited Partnerships. The purpose of these investments was to create income then distribute these as charitable donations. The trustees believe the long term quarterly income received from these investments will give longevity to the donations in the future.

Through grants to organisations or individuals the primary work of the charity will be grants to UK registered charities. In some instances, grants may be made to overseas entities, which would also be registered charities in their respective jurisdictions.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

Grants above £5,000 can be made only after a meeting at which at least 2 of the trustees are present and at which Minutes have been taken proposing the award of a grant and indicating the trustees' joint agreement thereon.

Grants are to be made after considering the finite level of funding available and how closely the recipient's objectives are in line with those of the charity. All applications for grants are to be made either in writing or in person to 1 or more trustee.

Trustees will keep a written record of grants awarded and the considerations undertaken.

Grants could be one-off payments or commitments to ongoing payments. The trustees will ensure an appropriate contract is in place for ongoing grants which will include clawback provisions and instalment payments as relevant.

Grant recipients will primarily be organisations registered with the Charity Commission who can provide evidence of full compliance with the reporting requirements, thereby enabling the trustees to place reliance as to the competence and integrity of the organisation.

In the less likely event that grants will be made overseas, the trustees will in such cases require similar and sufficient evidence of compliance with the local reporting requirements for registered charities in that jurisdiction.

In the rare event that a grant is made to an individual, the trustees will be personally familiar with the situation so as to be reliably sure that the cause is genuine, and will, when relevant, require proof financial standing and other relevant information.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

The results for the period are set out in the Statement of Financial Activities on page 9.

The Trustees collected a donation amounting to £1,510,000 and distribution income amounting to £33,769 during the period.

During the period, the charity invested £1,405,718 in to 3 different Limited Partnerships with the aim of generating income. It is intended that surplus income be distributed as charitable donations in the form of long term quarterly grants to fulfil the charitable objects in subsequent years.

This is the first period of the charity has been incorporated and as such there has been no distributions made during the period.

Financial review

The total unrestricted donations received by SMS Foundation reached £1,510,000 and distribution income totalled £33,769.

SMS Foundation has a healthy financial position, with closing fund balances amounting to £1,535,879, of which no funds relate to restricted funds. Furthermore, an amount of £1,405,718 within the closing unrestricted fund balance is held as investments in the Limited Partnerships. This proportion of the fund can only be realised by disposing of the investments. It is therefore the intention that any income from the investments are used for charitable purposes. Distributions have been made post period end from these funds, in accordance with the charitable objectives.

The principal funding source was the donations received from the Trustees' associated company and distribution from the investment portfolio.

Reserves policy and going concern

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

Investment policy

In accordance with the Trust Deed, the Trustees have the power to invest in such assets as they see fit.

The Trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

Post period end the charity has made distributions from the surplus funds. The charity will continue to make charitable donations going forward which will be made from the income distributed from the property investments held by the charity.

The Trustees have assessed the impact of the Coronavirus pandemic on the charity and are of the opinion that this should not materially impact the charity in the long term.

SMS FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

(CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2021

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum of Association and Articles of Association adopted 17 July 2020 and registered at Charities Commission on 18 September 2020. The Charity was established under its Articles of Association, which established the objects and powers of the Charity. The Charity's reference and administrative details are as set out within these financial statements.

History

SMS Foundation is a registered charity (charity number: 1191346), with the purpose to advance such charitable purposes (according to the law of England and Wales) the Trustees see fit from time to time particularly but not limited to advancing the Jewish religion, advancing Jewish religious education and the alleviation of poverty among the Jewish community throughout the world.

The Trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

Mr S S Stimler	(Appointed 17 July 2020)
Mr M Stimler	(Appointed 17 July 2020)
Mrs L P Stimler	(Appointed 17 July 2020)

Recruitment, appointment and terms of office of Trustees

Trustees are appointed in accordance with the Articles of Association.

The Charity has the power to appoint additional Trustees as it sees fit.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Operations and staffing

The Trustees collectively manage the charity with all executive decisions being made by the Trustees.

Risk management

The Trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The Trustees are satisfied that these systems and procedures mitigate any perceived risks.

Coronavirus pandemic

The Trustees have assessed the impact of the global Coronavirus pandemic and subsequent intervention from governments worldwide. The Trustees monitor the situation and respond to changes as necessary.

Introduction and training of Trustees

All Trustees are now already familiar with the practical work of the charity. Induction procedures are in place for new Trustees, with mechanisms in place to keep all the Trustees abreast of developments in the sector.

Fundraising

The Board of Trustees supports raising funds from the public in relation to our core activities. No professional fundraisers or third party commercial participators are used.

Related parties

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

Aggregate donations received from related parties without conditions for the period amounted to £1,510,000.

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE PERIOD ENDED 31 JULY 2021

Auditor

RDP Newmans LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.

Mr S S Stimler

Trustee

Dated: 14 February 2022

Mr M Stimler

Trustee

Dated: 14 February 2022

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 JULY 2021

The Trustees, who are also the directors of SMS Foundation for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

SMS FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SMS FOUNDATION

Opinion

We have audited the financial statements of SMS Foundation (the 'charity') for the period ended 31 July 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, for the period 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

SMS FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SMS FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 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 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the Trustees, who are also the directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charity Commission Regulations, Charities Act 2011, Statement of recommended practice (SORP FRS102), taxation legislation and data protection, anti-bribery and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF SMS FOUNDATION**

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed and tested journal entries to identify unusual transactions and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing and agreeing financial statement disclosures and testing to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and bankers.
- reviewing minutes of board meetings.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Paresh Radia FCA (Senior Statutory Auditor)
for and on behalf of RDP Newmans LLP**

14 February 2022

**Chartered Accountants
Statutory Auditor**

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 JULY 2021

	Notes	Unrestricted funds 2021 £
<u>Income from:</u>		
Donations and legacies	3	1,510,000
Investments	4	33,769
Total income		<u>1,543,769</u>
<u>Expenditure on:</u>		
Raising funds	5	1,890
Other	9	6,000
Total resources expended		<u>7,890</u>
Net income for the year/ Net movement in funds		1,535,879
Fund balances at 17 July 2020		-
Fund balances at 31 July 2021		<u><u>1,535,879</u></u>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 JULY 2021

	Notes	2021 £	£
Fixed assets			
Investments	10		1,405,718
Current assets			
Debtors	11	39,919	
Cash at bank and in hand		96,242	
		<u>136,161</u>	
Creditors: amounts falling due within one year	12	(6,000)	
		<u>130,161</u>	
Net current assets			130,161
Total assets less current liabilities			<u><u>1,535,879</u></u>
Income funds			
Unrestricted funds	13	1,535,879	
		<u>1,535,879</u>	
			<u><u>1,535,879</u></u>

The notes at pages 12 to 18 form part of these accounts.

The financial statements were approved by the Trustees on 14 February 2022

Mr S S Stimler
Trustee

Mr M Stimler
Trustee

Company Registration No. 12750793

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2021

	Notes	2021 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	17	1,468,191	
Investing activities			
Purchase of investments		(1,405,718)	
Investment income received		33,769	
		<hr/>	
Net cash used in investing activities			(1,371,949)
Net cash used in financing activities			-
			<hr/>
Net increase in cash and cash equivalents			96,242
Cash and cash equivalents at beginning of period			-
			<hr/>
Cash and cash equivalents at end of period			<u>96,242</u>

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies

Charity information

SMS Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Honeypot House, 56a Crewys Road, London, NW2 2AD. The Charity is registered at Charities Commission with registration number 1191346.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

Distribution income is recognised on a receivable basis.

1.5 Expenditure

Costs of generating funds are those costs incurred in attracting and administering voluntary income.

Expenditure on charitable activities include both direct costs and those costs incurred in support of the charitable expenditure and have been allocated to the sole charitable activity.

Other expenditure includes the costs of any legal advice to the trustees on governance or constitutional matters, external accountancy and audit costs.

The charity is not registered for VAT so all expenses shown in the Statement Of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021

1 Accounting policies **(Continued)**

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Reporting period

The company was incorporated on 17 July 2020 therefore the first period of accounts are for a longer period than 12 months, to 31 July 2021.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021

2 Critical accounting estimates and judgements

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.

In the view of the Trustees, there are no significant accounting estimates and judgements applied.

3 Donations and legacies

	Unrestricted funds
	2021
	£
Donations and gifts	1,510,000

4 Investments

	Unrestricted funds
	2021
	£
Investment income	33,769

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021

5 Raising funds

	Unrestricted funds
	2021 £
<u>Fundraising and publicity</u>	
Other fundraising costs	1,890
	<u>1,890</u>
	<u><u>1,890</u></u>

6 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2021 £
Fees payable to the charity's auditor and associates:	
Audit of the charity's annual accounts	4,200
	<u>4,200</u>
Non-audit services	
All other non-audit services	1,800
	<u>1,800</u>

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the period, nor were any expenses reimbursed to them.

8 Employees

The average monthly number of employees during the period was:

	2021 Number
Total	-
	<u>-</u>

There were no employees whose annual remuneration was £60,000 or more.

SMS FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021

9 Other

**Unrestricted
funds**

2021

Auditors remuneration	6,000
	<u>6,000</u>

10 Fixed asset investments

**Unlisted
investments
£**

Cost or valuation

At 17 July 2020	-
Additions	1,405,718
	<u>1,405,718</u>
At 31 July 2021	1,405,718

Carrying amount

At 31 July 2021	<u>1,405,718</u>
-----------------	------------------

2021

£

Investments at fair value comprise:	
Investments in Limited Liability Partnerships	1,405,718
	<u>1,405,718</u>

11 Debtors

2021

Amounts falling due within one year:

£

Other debtors	28,328
Prepayments and accrued income	11,591
	<u>39,919</u>

12 Creditors: amounts falling due within one year

2021

£

Accruals and deferred income	<u>6,000</u>
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SMS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2021

13 Unrestricted funds

The income funds of the charity include unrestricted funds:

	Movement in funds		Movement in funds		
	Incoming resources £	Balance at 17 July 2020 £	Incoming resources £	Resources expended £	Balance at 31 July 2021 £
Donations	-	-	1,510,000	(7,890)	1,502,110
Investment	-	-	33,769	-	33,769
	<u>-</u>	<u>-</u>	<u>1,543,769</u>	<u>(7,890)</u>	<u>1,535,879</u>

The charity has made investments of £1,405,718 as at 31 July 2021 which are treated as capital investments. Whilst the charity has unrestricted reserves of £1,535,879 any significant distribution for charitable purposes may require realisation of these investments. As stated in the Trustees' report, it is the intention that any income from the investments are to be used to further charitable objectives.

14 Analysis of net assets between funds

	Unrestricted funds 2021 £
Fund balances at 31 July 2021 are represented by:	
Investments	1,405,718
Current assets	136,161
Current liabilities	(6,000)
	<u>1,535,879</u>

15 Related party transactions

During the period, a donation of £1,510,000 was received from Loudwater Trade and Finance Limited. A company that is related by virtue of the Trustees Mr S S Stimler and Mr M Stimler also being the directors and shareholders.

16 Limited by guarantee

The liability of members is limited to a sum not exceeding £1, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for;

- (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;
- (2) payment of the costs, charges and expenses of winding up; and
- (3) adjustment of the rights of the contributories among themselves.

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17	Cash generated from operations	2021 £
	Surplus for the period	1,535,879
	Adjustments for:	
	Investment income recognised in statement of financial activities	(33,769)
	Movements in working capital:	
	(Increase) in debtors	(39,919)
	Increase in creditors	6,000
	Cash generated from/(absorbed by) operations	<u>1,468,191</u>
18	Analysis of changes in net funds/(debt)	
	The charity had no debt during the year.	