

THE ARCHIE SHERMAN CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

THE ARCHIE SHERMAN CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M J Gee A H S Morgenthau R Freedman A Simon	(Appointed 10 May 2021)
Charity number	256893	
Principal address	274a Kentish Town Road London NW5 2AA	
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR	
Bankers	Barclays Bank plc Cardiff Queen St Leicester LE87 2BB	
Solicitors	Nicholas and Co 18-22 Wigmore Street London W1U 2RG	

THE ARCHIE SHERMAN CHARITABLE TRUST

CONTENTS

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditor's report	5 - 7
Statement of financial activities	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11 - 24

THE ARCHIE SHERMAN CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their report and audited financial statements for the year ended 5 April 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 trust deed, the Charities Act 2011 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 for the public benefit

The charity's objectives include the support of a wide range of charitable organisations at the discretion of the trustees and as set out in the declaration of trust.

The objective of the charity is to maintain, and where possible to increase, the level of income and to distribute the income to chosen charitable beneficiaries exclusively to benefit education and training, overseas aid, arts and culture, health and general charitable purposes.

The charity's overall strategy to achieve the objective is effective management of its property portfolio to maximise rental returns. The charity's resources are reviewed at the regular trustees' meetings to allow informed decisions to be made on grant commitments.

The charity makes small and large grants to a wide variety of charitable causes in the UK and overseas. When the charity is approached to assist with substantial capital or building projects, the trustees undertake due diligence before deciding whether to make a commitment. Where the charity has made a commitment to make payments over several years, the trustees monitor the progress of the project before releasing payments.

The charity has not made use of any volunteers during the year.

The trustees review all commitments on a forwards five-year basis. During the year under review, the charity did not enter into any new commitments.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Achievements and performance

Level of Income

Overall, the charity's investment income decreased by £469,788 (2020: increased by £238,959) compared to the previous year. Rental and other property income receivable decreased by £467,348 (2020: increased by £238,560) whilst interest receivable decreased by £2,440 (2020: increased by £399). Notwithstanding the continued difficult circumstances prevailing in the UK commercial property market during the year, the trustees are satisfied with the performance of the portfolio.

Income Distribution

During the year, 48.9% (2020: 52.1%) of the year's net incoming resources was distributed and committed to charitable beneficiaries to benefit education and training, overseas aid, art and culture, health and general charitable purposes, including support and governance costs allocated to those charitable activities.

Unrestricted Funds

The charity's financial position at the end of the period was entirely satisfactory. The unrestricted funds during the financial year increased by 4% (2020: decrease of 3.3%) compared to the previous year.

THE ARCHIE SHERMAN CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Factors relevant to achievement of objectives

Rental income is the main source of incoming resources. The prevailing market conditions have a significant effect on income generated, and conditions during the year continued to be difficult with commercial properties suffering from lower rental yields as a result of a continued decline in the popularity of UK high streets. The trustees attempt to mitigate these effects by negotiating rent with existing and new tenants to ensure a satisfactory income for the trust while recognising the reality of the tough economic conditions currently facing tenants.

The percentage of funds distributed and committed to charitable causes will vary from year to year because the trustees' grant making decisions are based on estimates and projections of income receivable which are naturally subject to change.

The trustees are responsible for monitoring the charity's investment management and governance costs in order to maximise funds available for charitable purposes.

Financial review

The Statement of Financial Activities, set out on page 8 of the financial statements, shows how the charity's incoming resources have been expended during the year ended 5 April 2021.

The charity continues to hold a substantial fund base from which the income generated is distributed through grant making activities.

The charity's assets are held in order to generate income for charitable donations. The main asset of the charity is a portfolio of commercial properties. The fair value of the investment property portfolio was assessed by M J Gee as at 5 April 2021.

Net incoming resources available for distribution during the year were £924,010 (2020: 1,327,948), which were used to fund charitable expenditure and governance costs totalling £451,536 (2020: £691,352). At 5 April 2021 the charity held net assets of £18,409,464 (2020: 17,700,880). Projected grants payable over the next five years which the charity had committed to by the year end are approximately £514,000 (2020: £865,000) in total and at 5 April 2021 had been fully accounted for as grant commitments payable.

During the year the charity received a surrender premium of £140,000 (2020: £365,000) in relation to one of its properties.

Investment policy

The trustees follow a policy of maximising the return on investments while ensuring acceptable levels of risk. The trustees meet regularly to discuss whether performance has been matched to objectives.

Policy on reserves

Reserves consist of unrestricted funds. It is the policy of the charity to distribute up to 100% of net income, in addition to any undistributed unrestricted funds, at the discretion of the trustees. Liquid funds are maintained at a level which is considered adequate to cover short term requirements.

Risk management

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. Risk assessments are carried out in order to ascertain the likelihood of a risk event occurring, of its potential impact, and whether any cost effective mitigating action may be taken. Potential risks have been identified and are reviewed on a regular basis.

Plans for the future

The future plans and objectives of the charity are to maintain and where possible to increase the level of income and to distribute the income to chosen charitable beneficiaries.

To ensure that future plans and objectives are set, reviewed, and on target, trustees hold regular meetings to compare and discuss the budgeted and actual income/distributions and where necessary seek counsel from professional advisors.

THE ARCHIE SHERMAN CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Structure, governance and management

The charity was established by a charitable trust deed on 3 April 1967.

The trustees who served during the year were:

M J Gee

A H S Morgenthau

R Freedman

A Simon

(Appointed 10 May 2021)

E A Charles

(Deceased 27 December 2020)

The power to appoint new or additional trustees is vested in the trustees. In exercising this power, the trustees would use their own network of contacts, including family members, to identify suitable candidates possessing the necessary knowledge and skills to act as trustees. Trustees are expected to identify their training needs and to take measures to ensure that these needs are met.

The charity has four trustees including a chartered accountant and a solicitor. Day to day matters are handled at the charity's office and regular meetings of the trustees are held. The trustees review all commitments on a forward five-year basis so that new projects can be undertaken and income is made available.

In 1997 the trustees made charitable settlements of £50 each to establish three new charitable trusts. Two of these trusts, the Jacqueline & Michael Gee Charitable Trust and the Diana and Allan Morgenthau Charitable Trust are controlled by the trustees M J Gee and A H S Morgenthau respectively and their wives.

The charity's property portfolio is managed on a professional basis by Archie Sherman Administration Limited of which M J Gee is the sole director and shareholder.

The trustees have not received any remuneration during the year. Details of expenses, fees and related party transactions are disclosed in notes 9 and 20 to the financial statements.

On behalf of the board of trustees

M J Gee

Trustee

Dated: 4 February 2022

THE ARCHIE SHERMAN CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2021

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

The law applicable to charities in England and Wales requires the 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 of the charity 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 FRS102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ARCHIE SHERMAN CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ARCHIE SHERMAN CHARITABLE TRUST

Opinion

We have audited the financial statements of The Archie Sherman Charitable Trust (the 'charity') for the year ended 5 April 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

THE ARCHIE SHERMAN CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ARCHIE SHERMAN CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those that relate to the reporting framework (FRS 102 as applied in the Charities SORP and the Charities Act 2011).
- We understood how the charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including trustees meeting minutes and correspondence with regulatory bodies.

THE ARCHIE SHERMAN CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ARCHIE SHERMAN CHARITABLE TRUST

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating income recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the charity. We tested completeness of income through substantive tests performed, analytical review procedures and cut off tests on the income recognised.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
- 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Citroen Wells

4 February 2022

**Chartered Accountants
Statutory Auditor**

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ARCHIE SHERMAN CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 £	2020 £
<u>Income from:</u>			
Investment income	3	1,161,202	1,630,990
<u>Expenditure on:</u>			
Raising funds	4	237,192	303,042
Net incoming resources		924,010	1,327,948
<u>Charitable activities</u>			
Education and training	5	15,209	98,532
Overseas aid	5	30,445	55,901
Arts and culture and general charitable causes	5	297,401	421,498
Health	5	108,481	115,421
Total charitable expenditure		451,536	691,352
Total expenditure		688,728	994,394
Net gains/(losses) on investments	11	236,110	(1,236,315)
Net movement in funds		708,584	(599,719)
Fund balances at 6 April 2020		17,700,880	18,300,599
Fund balances at 5 April 2021		18,409,464	17,700,880

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

All income and expenditure derive from continuing activities.

THE ARCHIE SHERMAN CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	12	16,889,067		17,195,966	
Investments	13	885,680		689,119	
		<u>17,774,747</u>		<u>17,885,085</u>	
Current assets					
Trade and other receivables	15	143,932		188,448	
Cash at bank and in hand		1,467,882		955,104	
		<u>1,611,814</u>		<u>1,143,552</u>	
Current liabilities	16	(771,044)		(838,244)	
Net current assets			840,770		305,308
Total assets less current liabilities			<u>18,615,517</u>		<u>18,190,393</u>
Non-current liabilities	17	(206,053)		(489,513)	
Net assets			<u><u>18,409,464</u></u>		<u><u>17,700,880</u></u>
Income funds					
Unrestricted funds		18,409,464		17,700,880	
		<u><u>18,409,464</u></u>		<u><u>17,700,880</u></u>	

The notes on pages 11 to 24 form part of these financial statements

The financial statements were approved by the Trustees on 4 February 2022

M J Gee
Trustee

THE ARCHIE SHERMAN CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	23	(1,045,278)		(1,304,169)	
Investing activities					
Improvements to investment property		-		(105,337)	
Proceeds on disposal of investment property		346,448		-	
Investment income received		1,161,202		1,630,990	
Net cash generated from investing activities			1,507,650		1,525,653
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			462,372		221,484
Cash and cash equivalents at beginning of year			955,104		772,726
Effect of foreign exchange rates			50,406		(39,106)
Cash and cash equivalents at end of year			1,467,882		955,104

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

The Archie Sherman Charitable Trust is a charity registered in England and Wales. The charity's principal address is 274a Kentish Town Road, London, NW5 2AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Trust Deed, the Charities Act 2011 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 freehold properties and to include investment properties 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

The charity's unrestricted funds are attributable to the original amount settled on the charity, subsequent settlements, accumulated realised and unrealised capital gains/losses and undistributed income. Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Investment income is earned through holdings of assets for investment purposes such as shares and property. Income includes interest and rent and is recognised when the amount can be measured reliably. Interest income is recognised using the effective interest method and rental income is recognised as the charity's right to receive payment is established.

1.5 Resources expended

Expenditure on grants is recorded once the charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Other expenditure is included in the financial statements on an accruals basis.

Charitable activities include expenditure associated with grants payable, support costs and governance costs.

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

Support costs include staff, office and other costs incurred in the running of the charity.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs and governance costs have been apportioned against each individual charitable activity.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

1.7 Non-current investments

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

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 statement of financial position 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 trade and other receivables 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 other payables, 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 receipts 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.

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.

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

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.

1.11 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Differences arising on commitments in foreign currencies are allocated against the relevant heading under charitable activities. Differences on bank balances are included with support costs.

1.12 Charitable commitments

Charitable commitments are provided as liabilities, discounted at an appropriate rate, and shown as grants payable where they are legally or constructively binding. The excess of charitable commitments paid over the discounted commitments previously provided are treated as unwinding charges and included as part of grants payable.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Valuation of investment properties

Investment properties are recognised at fair value, with changes in fair value being recognised through profit or loss. The investment properties are stated at the trustees' valuation on an open market basis. There is an inevitable degree of judgement involved and value can only ultimately be reliably tested in the market itself.

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

3 Investment income

	2021 £	2020 £
Rental and other property income	1,161,162	1,628,510
Interest receivable	40	2,480
	<u>1,161,202</u>	<u>1,630,990</u>

4 Raising funds

	2021 £	2020 £
Property related costs	237,192	303,042
	<u>237,192</u>	<u>303,042</u>

Property related costs comprise £115,616 (2020: £161,975) of management fees together with other property related expenditure of £121,576 (2020: £141,067).

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

5 Charitable activities

	Education and training	Overseas aid	Arts and culture and general charitable causes	Health	Total 2021	Total 2020
	£	£	£	£	£	£
Grant funding of activities (see note 6)	38,641	24,950	232,100	97,860	393,551	518,428
Foreign exchange	(34,075)	-	-	(16,331)	(50,406)	39,514
Share of support costs (see note 7)	6,891	3,558	42,281	17,451	70,181	90,337
Share of governance costs (see note 7)	3,752	1,937	23,020	9,501	38,210	43,073
	<u>15,209</u>	<u>30,445</u>	<u>297,401</u>	<u>108,481</u>	<u>451,536</u>	<u>691,352</u>
Analysis by fund						
Unrestricted funds	<u>15,209</u>	<u>30,445</u>	<u>297,401</u>	<u>108,481</u>	<u>451,536</u>	
	<u>15,209</u>	<u>30,445</u>	<u>297,401</u>	<u>108,481</u>	<u>451,536</u>	
For the year ended 5 April 2020						
Unrestricted funds	<u>98,532</u>	<u>55,901</u>	<u>421,498</u>	<u>115,421</u>		<u>691,352</u>
	<u>98,532</u>	<u>55,901</u>	<u>421,498</u>	<u>115,421</u>		<u>691,352</u>

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

6 Grants payable

	Education and training	Overseas aid	Arts and culture and general charitable causes	Health	Total	2020
	£	£	£	£	£	£
Grants to institutions:						
Yad Vashem UK Foundation	1,846	-	-	-	1,846	1,833
The Diana and Allan Morgenthau Charitable Trust	-	-	60,000	-	60,000	81,250
The Jacqueline and Michael Gee Charitable Trust	-	-	60,000	-	60,000	81,250
The Rosalyn and Nicholas Springer Charitable Trust	-	-	60,000	-	60,000	81,250
Jewish Child's Day	-	-	2,500	-	2,500	4,881
Jewish Care	-	-	-	37,500	37,500	37,500
Royal Opera House Covent Garden Foundation	-	-	-	-	-	25,000
The Royal National Theatre	-	-	25,000	-	25,000	25,000
Norwood Ravenswood	-	-	-	15,000	15,000	15,000
Nightingale Hammerson	-	-	-	20,000	20,000	20,000
Community Security Trust	-	-	15,000	-	15,000	15,000
Youth Aliyah - Child Rescue (Yemin Orde)	6,952	-	-	-	6,952	11,053
Glyndebourne Productions Limited	-	-	2,100	-	2,100	2,100
The British Friends of the Jaffa Institute	-	-	-	-	-	5,675
Shaare Zedek UK	-	-	-	4,649	4,649	6,808
The Royal Academy of Arts	-	-	-	-	-	17,000
UK Friends of I.D.C.	22,975	-	-	-	22,975	23,000
Carried forward	31,773	-	224,600	77,149	333,522	453,600

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

6	Grants payable						(Continued)
	Education and training	Overseas aid	Arts and culture and general charitable causes	Health	Total	2020	
	£	£	£	£	£	£	
Brought forward	31,773	-	224,600	77,149	333,522	453,600	
Tel Aviv University Trust	6,868	-	-	-	6,868	11,053	
My Israel	-	-	2,500	-	2,500	2,500	
The Israel Children's Centers	-	-	-	-	-	30,785	
The Belsize Square Synagogue Annual Israel Appeal	-	-	-	-	-	8,000	
Save a Child's Heart	-	-	-	7,873	7,873	10,490	
Magen David Adom UK	-	-	-	10,838	10,838		
British Friends of the Israel Guide Dog Centre for the Blind	-	-	-	2,000	2,000	2,000	
The Central British Fund for World Jewish Relief	-	-	10,000	-	10,000		
The Jerusalem Foundation	-	19,950	-	-	19,950		
	<u>38,641</u>	<u>19,950</u>	<u>237,100</u>	<u>97,860</u>	<u>393,551</u>	<u>518,428</u>	

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	39,763	-	39,763	39,775
Office service charges	10,364	3,454	13,818	25,276
Travelling	-	-	-	4,200
Overseas representatives	19,188	-	19,188	27,673
Other costs	21	-	21	141
Foreign exchange	845	-	845	(408)
Audit fees	-	4,524	4,524	4,842
Accountancy	-	27,000	27,000	28,182
Legal and professional	-	1,500	1,500	1,997
Insurance	-	1,732	1,732	1,732
	<u>70,181</u>	<u>38,210</u>	<u>108,391</u>	<u>133,410</u>
Analysed between				
Charitable activities	<u>70,181</u>	<u>38,210</u>	<u>108,391</u>	<u>133,410</u>

Office service charges payable of £13,818 (2020: £25,276) have been allocated between support costs (75%) and governance costs (25%) based on an estimate of usage.

The total support and governance costs attributable to charitable activities are apportioned pro rata to the cost of grants.

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2021 £	2020 £
Fees payable to the charity's auditor:		
Audit of the charity's annual accounts	<u>4,524</u>	<u>4,842</u>
Non-audit services		
All other non-audit services	<u>27,000</u>	<u>28,182</u>

9 Trustees

The trustees have not received any remuneration during the current or prior year.

In the course of their duties as trustees, no travel expenses were paid (2020: £1,365 to M J Gee and £1,365 to R Freedman) during the year.

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration	1	1

Employment costs

	2021 £	2020 £
Wages and salaries	39,521	38,634
Social security costs	242	1,141
	39,763	39,775

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

11 Net gains/(losses) on investments

	2021 £	2020 £
Revaluation of investments	196,561	(26,326)
Revaluation of investment properties	-	(1,209,989)
Gain/(loss) on sale of investment properties	39,549	-
	236,110	(1,236,315)

12 Investment properties

	2021 £
Fair value	
At 6 April 2020	17,195,966
Disposals	(306,899)
At 5 April 2021	16,889,067

M J Gee is a trustee of the charity with considerable knowledge and experience of the properties and his company Archie Sherman Administration Limited manages the Trust's portfolio of investment properties. The properties have been stated at their fair values as at 5 April 2021, as assessed by M J Gee based on an assessment of rental yields together with other relevant factors and agreed by the other trustees.

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

13 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	21	203	203
Listed investments		885,477	688,916
		<u>885,680</u>	<u>689,119</u>
		2021 £	2020 £
Listed investments carrying amount		<u>885,477</u>	<u>688,916</u>

Movements in non-current investments

	Listed Investments £	Investments in subsidiaries £	Total £
Cost or valuation			
At 6 April 2020	688,916	203	689,119
Valuation changes	196,561	-	196,561
	<u>885,477</u>	<u>203</u>	<u>885,680</u>
At 5 April 2021	885,477	203	885,680
Carrying amount			
At 5 April 2021	<u>885,477</u>	<u>203</u>	<u>885,680</u>
At 5 April 2020	<u>688,916</u>	<u>203</u>	<u>689,119</u>

14 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>885,477</u>	<u>688,916</u>

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

15 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Amount due from subsidiary	1,059	959
Other receivables	129,165	170,981
	<u>130,224</u>	<u>171,940</u>
Amounts falling due after one year:		
Other receivables	13,708	16,508
	<u>13,708</u>	<u>16,508</u>
Total debtors	<u>143,932</u>	<u>188,448</u>

16 Current liabilities

	2021 £	2020 £
Other taxation and social security	4,362	8,423
Grants payable	307,455	375,325
Other payables	109,824	105,313
Accruals and deferred income	349,403	349,183
	<u>771,044</u>	<u>838,244</u>

17 Non-current liabilities

	2021 £	2020 £
Grants payable	<u>206,053</u>	<u>489,513</u>

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

18 Grant commitments

	Charitable commitments accrued £
Grant commitments recognised at the start of the year	864,838
Commitments made in the year	393,551
Grants paid during the year	(694,475)
Foreign exchange difference on commitments	(50,406)
	<u>513,508</u>
Amount of grant commitments recognised at 5 April 2020	
Grant commitments at 5 April 2021 recognised as:	
Due within one year:	307,455
Due over one year:	206,053
	<u>513,508</u>

19 Operating lease commitments

At the previous reporting end date the charity had a cost sharing arrangement in place with Archie Sherman Administration Limited, which committed it to bearing half of the rent for the charity's office premises. This agreement has now lapsed. The outstanding commitment for future minimum lease payments under non-cancellable operating leases fell due as follows:

	2021 £	2020 £
Within one year	-	10,000
Between two and five years	-	36,795
	<u>-</u>	<u>46,795</u>

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

20 Related party transactions

During the year the charity made donations of £60,000 (2020: £81,250) to the Diana and Allan Morgenthau Charitable Trust (a charity of which A H S Morgenthau is also a trustee) and £60,000 (2020: £81,250) to the Jacqueline and Michael Gee Charitable Trust (a charity of which M J Gee is also a trustee).

During the year the charity paid property management fees of £115,616 (2020: £161,975) and office service charges of £13,818 (2020: £25,276) to Archie Sherman Administration Limited, a company controlled by M J Gee.

At the year end, the charity's subsidiary undertaking, ASCT Developments Limited ("the company"), owed the charity £1,053 (2020: £953). The company was dormant during the year.

21 Subsidiaries

These financial statements are separate charity financial statements for The Archie Sherman Charitable Trust.

Details of the charity's subsidiaries at 5 April 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Archie Sherman Trust Nominees Limited (Company Number 00915582)	England & Wales	Dormant	Ordinary	100.00	
ASCT Developments Limited (Company Number 03741751)	England & Wales	Dormant	Ordinary	100.00	
Thamawell Limited (Company Number 00851792)	England & Wales	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Archie Sherman Trust Nominees Limited (Company Number 00915582)	-	100
ASCT Developments Limited (Company Number 03741751)	(16)	(388)
Thamawell Limited (Company Number 00851792)	(55)	(186)

The charity's subsidiaries are nominee companies which hold no assets in their own right.

THE ARCHIE SHERMAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

22 Analysis of changes in net funds

The charity had no debt during the year.

23 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	708,584	(599,719)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,161,202)	(1,630,990)
Foreign exchange differences	(50,406)	39,106
Gain on disposal of investment property	(39,549)	-
Fair value gains and losses on investment properties	-	1,209,989
Fair value gains and losses on investments	(196,561)	26,326
Movements in working capital:		
Decrease/(increase) in trade and other receivables	44,516	(68,262)
(Decrease) in trade and other payables	(350,660)	(280,619)
Cash absorbed by operations	(1,045,278)	(1,304,169)