

COMPANY REGISTRATION NUMBER: 01239183

CHARITY REGISTRATION NUMBER: 270957

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2021

COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

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ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Erinastar Limited
Charity registration number	270957
Company registration number	01239183
Principal office and registered office	Cavendish House 369 Burnt Oak Broadway Edgware Middlesex HA8 5AW
THE TRUSTEES	Mr D Hersh Mr J Goldstein Mr R Lewis
AUDITOR	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road London NW11 0PU
BANKERS	Barclays Bank Plc Edgware Group 126 Station Road Edgware Middlesex HA8 7RY

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is constituted as a Company Limited by guarantee, and is therefore governed by its memorandum and articles of association.

The council of management administers the day-to-day affairs of the Charity. None of the Trustees have any beneficial interest in the Charity.

It is not currently the intention of the Trustees of the Charity to appoint new Trustees. Should the situation change in the future, the Trustees will apply suitable recruitment training and induction procedures.

There were three Trustees who served during the year. The Trustees did not receive any remuneration for their services nor did they receive any reimbursement for out of pocket expenses.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

The Charity is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law and in furtherance of the aforementioned objects.

The Charity receives income mainly from its property investments and charitable receipts under Gift Aid, which it utilises in the provision and distribution of grants and donations.

The Charity's principle activity throughout the year was the provision and distribution of donations and grants to organisations, and no change is envisaged in the immediate future.

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

During the year the Charity continued its philanthropic activities in support of religious, education and other charitable institutions and aggregate donations were paid in the sum of £226,320 (2020: £766,189).

The benefits that these charities provide include:

Financial support to the poor

Provision of basic necessities to the poor

Relief of sickness and disabilities

Jewish education and support for places of worship for the Jewish community

The financial results of the Charity's activities for the year to 31 March 2021 are fully reflected in the attached Financial Statements together with the Notes thereon.

FINANCIAL REVIEW

Reserve policy

It is the policy of the Charity to maintain unrestricted funds, which include the free reserves of the Charity, at a level which the Trustees think appropriate after considering the future commitments of the Charity and the likely costs of the Charity for the next year.

As at 31 March 2021, the Charity has total funds of £5,812,010, all of which are unrestricted.

The charity is satisfied that its ability to continue its grant making charitable activities in the future is supported by its reserves and net investment income realised from its investments on a regular basis.

Grant making policy

Grants are made to charitable institutions and organisations which accord with the objects of the Charity.

The Trustees are approached for donations by a wide variety of charitable institutions operating all over England (and also abroad). The trustees consider all requests which they receive and make donations based on the level of funds available.

Investment powers and policy and objectives

Under the memorandum and articles of association, the charity has the power to make any investment, which the Trustees see fit. The Trustees regularly review the Charity's position and needs in respect of the investment policy.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The Trustees have identified and reviewed the major risks to which the Charity is exposed, in particular those related to the operations and finance of the Charity, and are satisfied that systems are in place to manage those risks.

PLANS FOR FUTURE PERIODS

The Trustees plan to continue to make distributions in accordance with their grant making policy and to ensure that an appropriate level of reserves is maintained.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

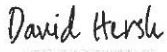
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 MARCH 2021

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 24 November 2021 and signed on behalf of the board of trustees by:

DocuSigned by:

8E32C055B23F4DD...
Mr D Hersh
Trustee

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERINASTAR
LIMITED
YEAR ENDED 31 MARCH 2021

OPINION

We have audited the financial statements of Erinastar Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 March 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;
- 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.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERINASTAR
LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of 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 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERINASTAR
LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERINASTAR
LIMITED *(continued)*

YEAR ENDED 31 MARCH 2021

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the directors and identified financial reporting legislation, landlord legislation and charity legislation as being most significant to these financial statements.
- We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with the laws and regulations.
- We discussed with the directors the policies and procedures regarding compliance with these legal and regulatory frameworks.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance with legal and regulatory frameworks, including how fraud might occur, by enquiry with the directors during the planning and finalisation phases stages of our audit and by using proprietary disclosure checklists. The susceptibility to such material misstatement was determined to be low.
- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory frameworks, which were part of our procedures on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERINASTAR
LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERINASTAR
LIMITED *(continued)*
YEAR ENDED 31 MARCH 2021

EMPHASIS OF MATTER - INVESTMENT PROPERTY

We draw your attention to Note 15 of the financial statements, which discloses the material uncertainty with regards to the valuation of investment properties as at the balance sheet date. Our opinion is not modified in respect of this matter.

USE OF OUR REPORT

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Barry Leigh (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

24 November 2021

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Investment income	5	187,600	<u>187,600</u>	<u>253,808</u>
Total income		<u>187,600</u>	<u>187,600</u>	<u>253,808</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	6	(96,128)	<u>(96,128)</u>	<u>(91,597)</u>
Expenditure on charitable activities	7,8	(243,018)	<u>(243,018)</u>	<u>(773,475)</u>
Total expenditure		<u>(339,146)</u>	<u>(339,146)</u>	<u>(865,072)</u>
Net losses on investments	11	(200,750)	<u>(200,750)</u>	<u>(633,440)</u>
Net expenditure and net movement in funds		<u>(352,296)</u>	<u>(352,296)</u>	<u>(1,244,704)</u>
Reconciliation of funds				
Total funds brought forward		6,164,306	<u>6,164,306</u>	<u>7,409,010</u>
Total funds carried forward		<u>5,812,010</u>	<u>5,812,010</u>	<u>6,164,306</u>

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

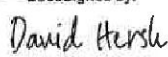
The notes on pages 13 to 21 form part of these financial statements.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL POSITION
31 MARCH 2021

	Note	2021 £	£	2020 £	£
FIXED ASSETS					
Investments	15		3,813,000		4,013,750
CURRENT ASSETS					
Debtors	16	289,415		435,463	
Cash at bank and in hand		<u>1,780,805</u>		<u>1,763,331</u>	
		2,070,220		2,198,794	
CREDITORS: amounts falling due within one year	17	<u>(71,210)</u>		<u>(48,238)</u>	
NET CURRENT ASSETS			<u>1,999,010</u>		<u>2,150,556</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,812,010</u>		<u>6,164,306</u>
NET ASSETS			<u>5,812,010</u>		<u>6,164,306</u>
FUNDS OF THE CHARITY					
Unrestricted funds			<u>5,812,010</u>		<u>6,164,306</u>
Total charity funds	19		<u>5,812,010</u>		<u>6,164,306</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 24 November 2021, and are signed on behalf of the board by:

DocuSigned by:

 Mr D Hersch
 Trustee

Company Registration Number: 01239183

Charity Registration Number: 270957

The notes on pages 13 to 21 form part of these financial statements.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Cavendish House, 369 Burnt Oak Broadway, Edgware, Middlesex, HA8 5AW.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The charity meets the definition of a public benefit entity under FRS 102.

Going concern

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the charity and available sources of finance.

The Covid-19 pandemic has had an adverse impact on the economy and may impact investment income and property valuations. These risks are beyond the control of the Charity and cannot be quantified. However, the charity has modest overheads and the Trustees have the ability to exercise control over the charity's grant making charitable activities and to call on support from benefactors, such that the trustees believe the charity will continue as a going concern.

Based on this, the Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

(i) Property valuation

The valuation of the charity's investment properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

(ii) Trade debtors

Management uses details of the age of trade debtors and status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Taxation

The charity is not liable to direct taxation on its income or gains, whether realised or not, as it falls within the various exemptions available to registered charities. Accordingly, the charity does not recognise any deferred tax liability on property revaluations as it will apply all funds for qualifying charitable purposes and be eligible to tax exemptions available to registered charities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investment property

Investment properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Subsequent to initial recognition

- Investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is determined by the trustees based on their understanding of property market conditions and the specific property concerned, using a sales valuation approach, derived from recent comparable transactions on the market, adjusted by applying discounts to reflect status of occupation and condition.

Acquisitions and disposals of properties

Acquisitions and disposals of properties are considered to take place at the legal completion and are included in the financial statements accordingly.

Grants payable

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. LIMITED BY GUARANTEE

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Property revenue	172,841	172,841	227,518	227,518
Bank interest receivable	—	—	3	3
Loan interest receivable	14,759	14,759	26,287	26,287
	<u>187,600</u>	<u>187,600</u>	<u>253,808</u>	<u>253,808</u>

6. INVESTMENT MANAGEMENT COSTS

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Investment property management costs	<u>96,128</u>	<u>96,128</u>	<u>91,597</u>	<u>91,597</u>

ERINASTAR LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Grants paid	226,320	226,320	766,189	766,189
Support costs	16,698	16,698	7,286	7,286
	<u>243,018</u>	<u>243,018</u>	<u>773,475</u>	<u>773,475</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Grants paid	226,320	—	226,320	766,189
Governance costs	—	16,698	16,698	7,286
	<u>226,320</u>	<u>16,698</u>	<u>243,018</u>	<u>773,475</u>

9. ANALYSIS OF SUPPORT COSTS

	Support Costs £	Total 2021 £	Total 2020 £
Governance costs	<u>16,698</u>	<u>16,698</u>	<u>7,286</u>

10. ANALYSIS OF GRANTS

	2021 £	2020 £
GRANTS TO INSTITUTIONS		
Support of education and relief of poverty	<u>226,320</u>	<u>766,189</u>
Total grants	<u>226,320</u>	<u>766,189</u>

All grants and donations were paid to charitable institutions for the purposes of either the advancement of education or the alleviation of poverty.

The composition of donations is shown below.

	£
Achisomoch Aid Company Limited	222,000
Other donations	4,320
	<u>226,320</u>

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11. NET LOSSES ON INVESTMENTS

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on disposal of investment property	—	—	(422,190)	(422,190)
Gains/(losses) on revaluation of investment property	(200,750)	(200,750)	(211,250)	(211,250)
	<u>(200,750)</u>	<u>(200,750)</u>	<u>(633,440)</u>	<u>(633,440)</u>

12. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>5,700</u>	<u>5,640</u>
Fees payable to the auditor for other non-audit services	<u>7,800</u>	<u>360</u>

13. STAFF COSTS

The average head count of employees, including trustees, during the year was 3 (2020: 3).

No salaries or wages have been paid to employees during the year.

14. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

No trustee expenses have been incurred.

15. INVESTMENTS

	Investment properties £
Fair value	
At 1 April 2020	4,013,750
Additions	—
Fair value movements	<u>(200,750)</u>
At 31 March 2021	<u>3,813,000</u>
Carrying amount	
At 31 March 2021	<u>3,813,000</u>
At 31 March 2020	<u>4,013,750</u>

All investments shown above are held at valuation.

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15. INVESTMENTS *(continued)***Investment properties**

The investment properties are stated at Trustees' valuation as at 31 March 2021. The historical cost of the properties is £4,225,000.

The Covid-19 pandemic, together with the associated lockdown, has impacted market activity. Given these unprecedented circumstances, the trustees' valuations are deemed to be materially uncertain on the basis that the assumptions upon which they are based may prove to be inaccurate.

16. DEBTORS

	2021	2020
	£	£
Trade debtors	16,970	12,740
Prepayments and accrued income	50,995	26,273
Other debtors	221,450	396,450
	<u>289,415</u>	<u>435,463</u>

17. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	6,394	10,592
Accruals and deferred income	52,037	24,867
Other creditors	12,779	12,779
	<u>71,210</u>	<u>48,238</u>

18. DEFERRED INCOME

	2021	2020
	£	£
Amount deferred in year	14,792	16,269

Deferred income arises from rents received in advance (see note 17).

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19. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Gains and losses £	At 31 March 2021 £
General funds	<u>6,164,306</u>	<u>187,600</u>	<u>(339,146)</u>	<u>(200,750)</u>	<u>5,812,010</u>

	At 1 April 2019 £	Income £	Expenditure £	Gains and losses £	At 31 March 2020 £
General funds	<u>7,409,010</u>	<u>253,808</u>	<u>(865,072)</u>	<u>(633,440)</u>	<u>6,164,306</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Total Funds 2021 £
Investments	3,813,000	3,813,000
Current assets	2,070,220	2,070,220
Creditors less than 1 year	<u>(71,210)</u>	<u>(71,210)</u>
Net assets	<u>5,812,010</u>	<u>5,812,010</u>

	Unrestricted Funds £	Total Funds 2020 £
Investments	4,013,750	4,013,750
Current assets	2,198,794	2,198,794
Creditors less than 1 year	<u>(48,238)</u>	<u>(48,238)</u>
Net assets	<u>6,164,306</u>	<u>6,164,306</u>

21. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>289,415</u>	<u>435,463</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>71,210</u>	<u>48,238</u>

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22. OPERATING LEASE COMMITMENTS

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	<u>44,000</u>	<u>43,290</u>

23. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year.