

S O CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

S O CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	N Ohayon S Ohayon A Ohayon
Charity number	326314
Registered office	19 Oxford Terrace Gateshead Tyne & Wear NE8 1RQ
Independent examiner	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Lloyds Bank plc 15 West Street Gateshead Tyne and Wear NE8 1DP

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TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their annual report and financial statements for the year ended 5 April 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, 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 2015)"

Objectives and activities

The S O Charitable Trust is constituted under trust deed and is a registered charity, number 326314.

The main object of the charity is to apply the income of the trust fund and so much of the capital of the trust fund as the settler determines to charity, at the trustees' discretion, for a period of fifty years.

We have referred to the guidance in the Charity Commission general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievements and performance

During the year the charity continued to receive income by way of rents and investment income. The Trustees continue to look for suitable projects to support in the future.

Financial review

The Trustees have maintained the level of charitable donations made during the year out of cash reserves.

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.

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.

Structure, governance and management

The Charity was formed as a trust under a trust deed dated 2 September 1982 and is registered with the Charity Commission - Registration number 326314.

The trustees who served during the year and up to the date of signature of the financial statements were:

N Ohayon

S Ohayon

A Ohayon

Asset cover for funds

The Trustees are satisfied that the assets of the charity are available and adequate to fulfil its obligations.

Covid-19 Risk

The ongoing COVID-19 pandemic continues to generate a significant level of uncertainty in the global economy. The trustees regularly assess the likely effects on the charity's operations in an attempt to mitigate the risk as far as possible.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

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

A Ohayon
Trustee

Dated: 26 May 2022

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INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF S O CHARITABLE TRUST

I report to the trustees on my examination of the financial statements of S O Charitable Trust (the charity) for the year ended 5 April 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of 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 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 charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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.

Stephen Slater (FCA)

Member of the Institute of the Chartered Accountants in England and Wales

RMT Accountants & Business Advisors Ltd

Gosforth Park Avenue

Newcastle upon Tyne

NE12 8EG

Dated: 26 May 2022

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

	Notes	2021 £	2020 £
<u>Income from:</u>			
Investments	2	128,764	123,563
<u>Expenditure on:</u>			
Raising funds	3	21,342	15,716
Charitable activities	4	109,490	104,795
Total resources expended		130,832	120,511
Net gains on investments	8	780	(2,113)
Net movement in funds		(1,288)	939
Fund balances at 6 April 2020		1,060,277	1,059,338
Fund balances at 5 April 2021		1,058,989	1,060,277

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

All income and expenditure derive from continuing activities.

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BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investment properties	9	787,833		715,584	
Investments	10	2,841		2,061	
		<u>790,674</u>		<u>717,645</u>	
Current assets					
Debtors	12	158,648		213,046	
Cash at bank and in hand		270,265		292,806	
		<u>428,913</u>		<u>505,852</u>	
Creditors: amounts falling due within one year	14	<u>(160,598)</u>		<u>(163,220)</u>	
Net current assets			268,315		342,632
Total assets less current liabilities			<u>1,058,989</u>		<u>1,060,277</u>
Income funds					
Unrestricted funds			1,058,989		1,060,277
			<u>1,058,989</u>		<u>1,060,277</u>

The accounts were approved by the Trustees and authorised for issue on

A Ohayon
Trustee

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

The Charity was formed as a trust under a trust deed dated 2 September 1982 and is registered with the Charity Commission - Registration number 326314.

1.1 Accounting convention

The accounts have been prepared in accordance with 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)" (as amended for accounting periods commencing from 1 January 2016). 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 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 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.

This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the charity's operations are mitigated. 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 Incoming resources

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. All income represents income received from properties and investment income.

1.5 Resources expended

Charitable expenditure relates to direct charitable activities.

Governance costs are general costs which have been incurred in order that the charity can operate effectively and to generate the information required for public accountability.

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

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 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.

1.8 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.

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

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors 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.

2 Investments

	2021 £	2020 £
Rental income	114,198	105,649
Income from listed investments	-	50
Interest receivable	14,566	17,864
	<u>128,764</u>	<u>123,563</u>

3 Raising funds

	2021 £	2020 £
<u>Fundraising and publicity</u>		
Management charges	6,689	6,295
Repairs and renewals	2,991	5,102
Professional fees	11,417	2,276
Insurance	245	1,019
Rates, rent and electricity	-	1,024
	<u>21,342</u>	<u>15,716</u>

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

4 Charitable activities

	2021 £	2020 £
Donations and grants	107,834	102,788
Share of support costs (see note 5)	936	1,407
Share of governance costs (see note 5)	720	600
	<u>109,490</u>	<u>104,795</u>

5 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Depreciation	-	-	-	250	Usage
Motor running costs	891	-	891	1,157	Invoiced
Bank charges	45	-	45	-	
Accountancy	-	720	720	600	Invoiced
	<u>936</u>	<u>720</u>	<u>1,656</u>	<u>2,007</u>	
Analysed between Charitable activities	<u>936</u>	<u>720</u>	<u>1,656</u>	<u>2,007</u>	

6 Trustees

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

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

7 Employees

There were no employees during the year.

8 Net gains/(losses) on investments

	2021 £	2020 £
Revaluation of investments	780	(2,113)

9 Investment property

	2021 £
Fair value	
At 6 April 2020	715,584
Additions through external acquisition	72,249
At 5 April 2021	787,833

The fair value of the investment property has been arrived at on the basis of the trustees' best estimate of market value.

Investment property comprises:

	Market value £	Cost £
Blackhill, Consett - 7 John Street	25,000	-
Unit 1, Mill Lane, Skipton	60,000	39,940
Supermarket, Willow Street, Lancaster	82,000	19,108
11 Bumpers Lane, Sealand Industrial Estate, Chester	80,000	42,520
Seymour Parade, Seymour Lane, Southampton	200,000	60,144
31 Stephenson St, Gateshead	41,763	41,763
27 Berryhill Close, Blaydon, NE21 5JW	57,201	57,201
16a Whinneyfield Rd, Walkergate, NE6 4HX	62,328	62,328
70 & 72 Windsor Avenue NE8 4NG	107,292	107,292
47 Whitefield Terrace, Newcastle, NE6 5DU	72,249	72,249
	787,833	502,545

The property shown with no cost represents a gift at no consideration.

10 Fixed asset investments

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

10 Fixed asset investments		(Continued)
		Listed investments £
Cost or valuation		
At 6 April 2020		2,061
Valuation changes		780
		<hr/>
At 5 April 2021		2,841
		<hr/>
Carrying amount		
At 05 April 2021		2,841
		<hr/>
At 05 April 2020		2,061
		<hr/>
11 Financial instruments		2021
		£
		2020
		£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,841	2,061
	<hr/>	<hr/>

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

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	34,848	27,046
	<u> </u>	<u> </u>
Amounts falling due after more than one year:		
Other debtors	123,800	186,000
	<u> </u>	<u> </u>
Total debtors	<u>158,648</u>	<u>213,046</u>

13 Loans and overdrafts

	2021 £	2020 £
Loans from related parties	157,952	157,952
	<u> </u>	<u> </u>
Payable within one year	157,952	157,952
	<u> </u>	<u> </u>

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Loans from related parties	157,952	157,952
Trade creditors	929	929
Accruals and deferred income	1,717	4,339
	<u> </u>	<u> </u>
	<u>160,598</u>	<u>163,220</u>

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

15 Related party transactions

Included within creditors due within one year is an amount of £157,952 (2020 - £157,952) owed to the trustees of the charity.

There are no set terms as to the repayment of this amount and no interest accrued thereon.