

S O CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

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 |

S O CHARITABLE TRUST

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 |
| Independent examiner's report | 2 |
| Statement of financial activities | 3 |
| Balance sheet | 4 |
| Notes to the financial statements | 5 - 11 |

S O CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2023

The trustees present their annual report and financial statements for the year ended 5 April 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's 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 2019).

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.

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

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

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

A Ohayon
Trustee

1 March 2024

S O CHARITABLE TRUST

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 2023.

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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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: 18 March 2024

S O CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2023

| | Notes | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---|--------|------------------------------------|------------------------------------|
| Income and endowments from: | | | |
| Investments | 3 | 145,847 | 150,679 |
| Other income | 4 | 143,000 | - |
| Total income | | <u>288,847</u> | <u>150,679</u> |
| Expenditure on: | | | |
| Raising funds | 5 | 14,914 | 20,392 |
| Charitable activities | 6 | 118,052 | 100,747 |
| Total expenditure | | <u>132,966</u> | <u>121,139</u> |
| Net gains on investments | 10 | <u>65,380</u> | <u>265</u> |
| Net income and movement in funds | | <u>221,261</u> | <u>29,805</u> |
| Reconciliation of funds: | | | |
| Fund balances at 6 April 2022 | | <u>1,088,794</u> | <u>1,058,989</u> |
| Fund balances at 5 April 2023 | | <u><u>1,310,055</u></u> | <u><u>1,088,794</u></u> |

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

S O CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|------------------|---|------------------|---|
| Fixed assets | | | | | |
| Investment properties | 12 | 870,979 | | 787,833 | |
| Investments | 13 | 3,486 | | 3,106 | |
| | | <u>874,465</u> | | <u>790,939</u> | |
| Current assets | | | | | |
| Debtors | 15 | 155,909 | | 148,085 | |
| Cash at bank and in hand | | 444,415 | | 315,941 | |
| | | <u>600,324</u> | | <u>464,026</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(164,734)</u> | | <u>(166,171)</u> | |
| Net current assets | | 435,590 | | 297,855 | |
| Total assets less current liabilities | | <u>1,310,055</u> | | <u>1,088,794</u> | |
| Income funds | | | | | |
| Unrestricted funds | | 1,310,055 | | 1,088,794 | |
| | | <u>1,310,055</u> | | <u>1,088,794</u> | |

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

A Ohayon
Trustee

S O CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

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 financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities 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.

S O CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

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 |
|----------------|-------------------|

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.

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.

S O CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

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.

3 Investments

| | 2023 £ | 2022 £ |
|--------------------------------|----------------|----------------|
| Rental income | 136,658 | 138,645 |
| Income from listed investments | - | 28 |
| Interest receivable | 9,189 | 12,006 |
| | <u>145,847</u> | <u>150,679</u> |

4 Other income

| | 2023 £ | 2022 £ |
|---|----------------|-----------|
| Net gain on disposal of tangible fixed assets | <u>143,000</u> | <u>-</u> |

5 Raising funds

| | 2023 £ | 2022 £ |
|----------------------------------|---------------|---------------|
| <u>Fundraising and publicity</u> | | |
| Management charges | 8,479 | 8,255 |
| Repairs and renewals | 3,288 | 8,123 |
| Professional fees | 497 | 3,575 |
| Insurance | 2,442 | 439 |
| Rates, rent and electricity | 208 | - |
| | <u>14,914</u> | <u>20,392</u> |

S O CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

6 Charitable activities

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Donations and grants | 104,895 | 99,224 |
| Share of support costs (see note 7) | 1,342 | 803 |
| Share of governance costs (see note 7) | 11,815 | 720 |
| | <u>118,052</u> | <u>100,747</u> |

7 Support costs

| | Support costs £ | Governance costs £ | 2023 £ | 2022 £ | Basis of allocation |
|---|--------------------|-----------------------|---------------|--------------|---------------------|
| Motor running costs | 1,091 | - | 1,091 | 740 | Invoiced |
| Bank charges | 251 | - | 251 | 63 | |
| Accountancy | - | 3,060 | 3,060 | 720 | Invoiced |
| Legal and professional | - | 8,755 | 8,755 | - | Governance |
| | <u>1,342</u> | <u>11,815</u> | <u>13,157</u> | <u>1,523</u> | |
| Analysed between Charitable activities | <u>1,342</u> | <u>11,815</u> | <u>13,157</u> | <u>1,523</u> | |

8 Trustees

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

S O CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

9 Employees

There were no employees during the year.

10 Net gains/(losses) on investments

| | 2023 £ | 2022 £ |
|--------------------------------------|---------------|------------|
| Revaluation of investments | 380 | 265 |
| Revaluation of investment properties | 65,000 | - |
| | <u>65,380</u> | <u>265</u> |

11 Taxation

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

12 Investment property

| | 2023 £ |
|--|----------------|
| Fair value | |
| At 6 April 2022 | 787,833 |
| Additions through external acquisition | 100,146 |
| Disposals | (82,000) |
| Net gains or losses through fair value adjustments | <u>65,000</u> |
| At 5 April 2023 | <u>870,979</u> |

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 | 40,000 | - |
| Unit 1, Mill Lane, Skipton | 80,000 | 39,940 |
| 2 West Crescent, Gateshead, Tyne and Wear | 100,146 | 100,146 |
| 11 Bumpers Lane, Sealand Industrial Estate, Chester | 60,000 | 42,520 |
| Seymour Parade, Seymour Lane, Southampton | 250,000 | 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 | 72,248 |
| | <u>870,979</u> | <u>583,582</u> |

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

S O CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

13 Fixed asset investments

| | Listed investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 6 April 2022 | 3,106 |
| Valuation changes | 380 |
| | <u>3,486</u> |
| At 5 April 2023 | 3,486 |
| Carrying amount | |
| At 05 April 2023 | <u>3,486</u> |
| At 05 April 2022 | <u>3,106</u> |

| 14 Financial instruments | 2023 £ | 2022 £ |
|---|--------------|--------------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | <u>3,486</u> | <u>3,106</u> |

| 15 Debtors | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Amounts falling due within one year: | | |
| Other debtors | <u>55,809</u> | <u>51,685</u> |
| Amounts falling due after more than one year: | | |
| Other debtors | <u>100,100</u> | <u>96,400</u> |
| Total debtors | <u>155,909</u> | <u>148,085</u> |

| 16 Loans and overdrafts | 2023 £ | 2022 £ |
|----------------------------|----------------|----------------|
| Loans from related parties | <u>157,952</u> | <u>157,952</u> |
| Payable within one year | <u>157,952</u> | <u>157,952</u> |

S O CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

17 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|----------------|----------------|
| Loans from related parties | 157,952 | 157,952 |
| Trade creditors | 929 | 929 |
| Accruals and deferred income | 5,853 | 7,290 |
| | <u>164,734</u> | <u>166,171</u> |

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 6 April 2022 £ | Incoming resources £ | Resources expended £ | Gains and losses £ | At 5 April 2023 £ |
|-----------------------|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| General funds | <u>1,088,794</u> | <u>288,847</u> | <u>(132,966)</u> | <u>65,380</u> | <u>1,310,055</u> |
| Previous year: | At 6 April 2021 £ | Incoming resources £ | Resources expended £ | Gains and losses £ | At 5 April 2022 £ |
| General funds | <u>1,058,989</u> | <u>150,679</u> | <u>(121,139)</u> | <u>265</u> | <u>1,088,794</u> |

19 Related party transactions

Included within creditors due within one year is an amount of £157,952 (2022: £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.