

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

**BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Rabbi S Kohn Rabbi J Grunfeld
Charity number	527404
Principal address	50 Bewick Road Gateshead Tyne and Wear NE8 4DQ
Auditor	Sumer Auditco Limited The Beehive Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA
Bankers	Lloyds Bank plc PO Box 1000 BX1 1LT
Solicitors	Mincoffs Solicitors LLP 5 Osborne Terrace Newcastle upon Tyne NE2 1SQ

BETH MIDRASH LEMOROTH (JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD) CONTENTS

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BETH MIDRASH LEMOROTH

(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2022

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

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

Charitable Objects

The objects of the College are:

- a) To train teachers and organisers of Torah education.
- b) To provide advanced courses of study for those desiring a comprehensive Jewish education.

Aims

We aim to provide a first-class Torah education to girls from the ages of 16 to 21. We seek to provide a structured educational environment that develops our pupils' capabilities, competences and skills. We promote the academic, moral and social development of our pupils through our academic curriculum, pastoral care and other activities. We provide an educational environment where each student can develop and fulfil her potential, building her self-confidence and inculcating a desire to contribute to the wider community. In doing so, we prepare our pupils for the opportunities, responsibilities and experience of later life.

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

OUR POLICIES

Access Policy

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Bursary Policy

Our bursary policy contributes to a widening of access to the education we offer and the facilities we enjoy. The trustees view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In assessing means we take a number of factors into consideration including family income and family circumstances for example dependant relatives and the number of siblings. However, our college does not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 10% to 50% remission of fees. We also subsidise co-curricular activities and college trips. Information about fee assistance through bursaries is provided to all applying.

The progress of pupils receiving bursary awards is reviewed at least annually to ensure their progress is in line with their abilities. No bursary awards were withdrawn in the year as a result of reviews.

BETH MIDRASH LEMOROTH

(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Financial Planning Policy

Timely financial planning is often the key for many parents who are hoping to send their children to the College and an Interest Free Fees Plan is available to help those who wish to fund educational costs through regular contributions.

Achievements and performance

A summary of the results and movements of funds for the year are shown in the Statement of Financial Activities on page 8.

Pupil Numbers and Fees

Pupil numbers at our college were on target again at 435. Our fees for the current year before the deduction of any bursaries were £3,300 per term and are due to rise to £10,000 per annum in 2022/23.

Academic

The College has been successful in obtaining official accreditation of the first two years of its Torah Studies course through a partnership with ATHE. Students who complete the course successfully will receive the Ofqual recognised "Extended Diploma in Torah Studies", which is worth 150 UK credits and will count towards further studies for any student wishing to continue on to Higher Education. The College also provides, in collaboration with Gateshead College, a recognised level 3 qualification in Child Care / Classroom Assistant and a level 4 Teaching Assistant qualification for third year students who wish to avail themselves of this, as well as a number of optional A Levels for students who wish to take them.

The College has maintained a partnership with TTI, an organisation in the United States, which was established in 2004 to provide an opportunity for interested individuals to demonstrate their Judaic knowledge on proficiency examinations that measure college comparable coursework as confirmed through an assessment by National PONSİ. Students who are successful on this programme will be awarded a B.A. from Excelsior College in the US, on the basis of their current studies. This award is rated by NARIC as the equivalent of a B.A. awarded in the U.K

Community Service

Pupils also take part in practical voluntary service in the local community. Through this opportunity to serve others, our pupils also gain educationally through a meaningful interaction with those outside our School community.

Community Access

We see JTTC as part of a wider community and where we can assist the community without detriment to advancing the education of our pupils we are delighted to do so. The Keser Primary School, Keser Torah Primary School, Gateshead Mechina, Gateshead Ladies Society, Zeirei Agudas Yisrael, Ba'er HaTorah College, Gateshead Cheder, Haskel Special Needs School, SPLASH Special Needs Care and Ateres High School all made regular use of our multi-purpose facilities, free of charge, out of school hours.

In addition, we encourage our pupils to give their services, free of charge, to the local Primary School and High School as well as the Beth Jacob Organisation, organising and producing all the different aspects of their respective annual shows. They also volunteer to assist in the setting up of the hall for events such as weddings.

A number of our students act as general classroom assistants in local schools, both Jewish and non-Jewish.

**BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Financial review

As a charity the parents of our pupils have the assurance that all the income of the school must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied for our charitable aims. As a Charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and directly help us to maintain our bursary policies.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer.

Results for the year

As mentioned earlier the College fees were increased again this year. The charity continues to monitor expenditure carefully but is particular not to compromise student welfare and comfort in a bid to cut costs. It therefore seeks best value, even if this does result in a modest increase in expenditure. This financial year a significant investment has been made in the repair and maintenance of the school's assets.

Reserves policy

The trustees have reviewed the level of reserves held by the charity. The review has concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services the level of free reserves, being those not tied up in fixed assets, should to be maintained at not less than six months expenditure, although it is acknowledged that this is not the current position.

Investment Policy

The trustees adopt a prudent approach in respect of the total investment return. Funds are invested so as to maximise income without placing the capital invested at risk.

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

Plans for future periods

The new classrooms and bedrooms are now fully occupied, providing much improved and spacious learning and living environments. Plans are currently being developed to increase the number of tutorial rooms and also to further develop and improve existing tutorial rooms due to the increased number of courses now offered.

Structure, governance and management

Governing Document

The charity was established by a Constitution document dated October 1944 and is registered with the Charity Commission, number 527404.

Trustees

The trustees who served during the year were:

Rabbi S Kohn

Rabbi J Grunfeld

Governing Body

The trustees are legally responsible for the overall management of the college. The day to day running of the college is undertaken by the trustees and the senior teaching staff. The trustees are aware of the need to follow best practice and are actively reviewing the organisational structure of the college and the method by which new trustees are appointed. This review is ongoing.

**BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Statement of trustees' responsibilities

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;
- 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 trustees' report was approved by the Board of Trustees.

Rabbi S Kohn

Trustee

Dated: 24 May 2023

BETH MIDRASH LEMOROTH

(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BETH MIDRASH LEMOROTH

Opinion

We have audited the financial statements of Beth Midrash Lemoroth (the 'charity') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, 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 31 July 2022 and of its incoming resources and application of resources, 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.

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; or
- we have not received all the information and explanations we require for our audit.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF BETH MIDRASH LEMOROTH

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 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.

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.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and Charity Act 2011, Employment and Pension legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding, data protection and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF BETH MIDRASH LEMOROTH**

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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Sumer Auditco Limited
Statutory Auditor
The Beehive Beehive Ring Road
Gatwick
RH6 0PA**

Date: 24 May 2023

Sumer Auditco Limited 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.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
Income from:			
Donations and legacies	3	814,809	1,045,476
Charitable activities	4	2,181,132	2,045,810
Investments	5	12,138	11,787
Total income		3,008,079	3,103,073
Expenditure on:			
Charitable activities	6	2,737,989	2,488,147
Net income for the year/ Net movement in funds		270,090	614,926
Fund balances at 1 August 2021		7,233,822	6,618,896
Fund balances at 31 July 2022		7,503,912	7,233,822

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

All income and expenditure derive from continuing activities.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
BALANCE SHEET
AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11	8,397,426		8,172,921	
Investment property	12	283,700		283,700	
		<u>8,681,126</u>		<u>8,456,621</u>	
Current assets					
Debtors	13	54,188		59,802	
Cash at bank and in hand		477,601		273,869	
		<u>531,789</u>		<u>333,671</u>	
Creditors: amounts falling due within one year	15	(481,819)		(1,436,470)	
Net current assets/(liabilities)			49,970		(1,102,799)
Total assets less current liabilities			8,731,096		7,353,822
Creditors: amounts falling due after more than one year	16	(1,227,184)			(120,000)
Net assets			<u>7,503,912</u>		<u>7,233,822</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		2,948,908		2,678,818	
Revaluation reserve		4,555,004		4,555,004	
			<u>7,503,912</u>		<u>7,233,822</u>
			<u>7,503,912</u>		<u>7,233,822</u>

The financial statements were approved by the Trustees on 24 May 2023

Rabbi S Kohn
Trustee

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	19		482,405		1,003,408
Investing activities					
Purchase of tangible fixed assets		(434,166)		(1,722,536)	
Investment income received		12,138		11,787	
Net cash used in investing activities			(422,028)		(1,710,749)
Financing activities					
Proceeds from new bank loans		1,200,000		1,157,500	
Repayment of bank loans		(1,056,645)		(187,866)	
Net cash generated from financing activities			143,355		969,634
Net increase in cash and cash equivalents			203,732		262,293
Cash and cash equivalents at beginning of year			273,869		11,576
Cash and cash equivalents at end of year			477,601		273,869

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

Beth Midrash Lemoroth is a unincorporated charity established by a Constitution dated October 1944 and is registered with the Charity Commission, number 527404.

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 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 accounts 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.

1.3 Charitable funds

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

1.4 Income

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

All income from fees, scholarships, grants and donations is recognised when received

Government grants are recognised at the fair value of the asset received receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Rental income from operating leases (net of any incentives given to the leasees) is recognised on a straight-line basis over the lease term.

All interest receivable is accounted for on an accruals basis.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

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:

Freehold land and buildings	5% reducing balance
Fixtures and fittings	15% reducing balance
Central heating installation	15% reducing balance
New classroom building	5% reducing balance

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 property

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

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 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.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.10 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

3 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Donations and gifts	80,576	152,100
Grants receivable	734,233	893,376
	<u>814,809</u>	<u>1,045,476</u>
Grants receivable for core activities		
Other	734,233	708,053
Government Covid-19 support	-	185,323
	<u>734,233</u>	<u>893,376</u>

In March 2020 the Government introduced the Coronavirus Job Retention Scheme which allowed employers to put staff on temporary leave and reclaim the cost of 80% of the employees' payroll costs. During the year ended 31 July 2022 the charity received £nil (2021: £185,323).

4 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fees and scholarships	<u>2,181,132</u>	<u>2,045,810</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Rental income	12,060	11,711
Interest receivable	78	76
	<u>12,138</u>	<u>11,787</u>

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

6 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Staff costs	1,124,339	1,081,733
Depreciation and impairment	209,661	152,316
Student meals	338,261	282,156
Kitchen disposables	53,995	33,568
Accreditation fees	63,052	46,834
Cleaning and gardening	62,256	66,971
Premises costs	153,598	119,422
Repairs and maintenance	280,247	218,094
Printing, postage, stationery and telephone	33,162	33,944
Staff and teacher training	49,682	13,598
Travelling expenses	39,937	17,042
Bank and loan costs	43,729	20,984
Legal and professional	11,238	18,598
Hire of hall and equipment	9,014	14,044
Security costs	193,500	307,461
Sundry expenses	61,744	49,098
	<u>2,727,415</u>	<u>2,475,863</u>
Share of governance costs (see note 7)	10,574	12,284
	<u><u>2,737,989</u></u>	<u><u>2,488,147</u></u>

7 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Audit and accountancy	-	10,574	10,574	-	12,284	12,284
	<u>-</u>	<u>10,574</u>	<u>10,574</u>	<u>-</u>	<u>12,284</u>	<u>12,284</u>
Analysed between						
Charitable activities	-	10,574	10,574	-	12,284	12,284
	<u>-</u>	<u>10,574</u>	<u>10,574</u>	<u>-</u>	<u>12,284</u>	<u>12,284</u>

Governance costs includes payments to the auditors of £3,420 (2021: £1,400) and £7,154 (2021: £10,884) for audit and non-audit accountancy services respectively.

8 Trustees

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

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

8 Trustees

(Continued)

Rabbi S Kohn is also employed as Principal to the college and is paid as such. These payments are included in the figures disclosed in note 9 to the accounts. No trustee received remuneration in their capacity as a trustee of the charity, either in the current or prior year.

9 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Teaching staff	24	24
Administration	3	3
Domestic	6	6
Catering	7	7
Pension	1	1
	<hr/>	<hr/>
Total	41	41
	<hr/>	<hr/>

Employment costs

	2022	2021
	£	£
Wages and salaries	1,018,219	977,673
Social security costs	86,409	84,352
Other pension costs	19,711	19,708
	<hr/>	<hr/>
	1,124,339	1,081,733
	<hr/>	<hr/>

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

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Central heating installation £	New classroom building £	Total £
Cost or valuation					
At 1 August 2021	5,752,573	1,297,344	60,636	2,045,111	9,155,664
Additions	-	-	-	434,166	434,166
At 31 July 2022	5,752,573	1,297,344	60,636	2,479,277	9,589,830
Depreciation and impairment					
At 1 August 2021	38,783	814,955	48,644	80,361	982,743
Depreciation charged in the year	22,640	72,365	1,799	112,857	209,661
At 31 July 2022	61,423	887,320	50,443	193,218	1,192,404
Carrying amount					
At 31 July 2022	5,691,150	410,024	10,193	2,286,059	8,397,426
At 31 July 2021	5,713,790	482,389	11,992	1,964,750	8,172,921

Land and buildings with a carrying amount of £5,261,000 were revalued in the 2018 financial year by the trustees on the basis of market value. In the opinion of the trustees, the market value of the land and buildings has not significantly changed since their revaluation.

At 31 July 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £546,333 (2021 - £575,087).

All of the above tangible fixed assets were used for charitable purposes.

12 Investment property

	2022 £
Fair value	
At 1 August 2021 and 31 July 2022	283,700

Investment property comprises of two properties owned by the charity which are held for rental returns and not for charitable purposes.

The fair value of investment properties has been determined by the trustees on the basis of market value.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	3,300	3,000
Other debtors	30,632	37,648
Prepayments and accrued income	20,256	19,154
	<u>54,188</u>	<u>59,802</u>

14 Loans and overdrafts

	2022	2021
	£	£
Bank loans	1,300,855	1,157,500
Payable within one year	73,671	1,037,500
Payable after one year	1,227,184	120,000

The long-term loans are secured by fixed charges over freehold land and buildings at 30, 42, 52/52A, 54, 58, 62/62A, 56 and 24 Bewick Road, Gateshead dated 23 December 2021.

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
	Notes	
Bank loans	14	1,037,500
Other taxation and social security	21,239	20,285
Trade creditors	251,800	304,991
Other creditors	59,987	51,971
Accruals and deferred income	75,122	21,723
	<u>481,819</u>	<u>1,436,470</u>

16 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
	Notes	
Bank loans	14	120,000

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

17 Movement in funds

	Movement in funds				
	Balance at 1 August 2021	Incoming resources	Resources expended	Revaluations gains and losses	Balance at 31 July 2022
	£	£	£	£	£
Unrestricted general funds	7,233,822	3,008,079	(2,737,989)	-	7,503,912

Comparative:

	Movement in funds				
	Balance at 1 August 2020	Incoming resources	Resources expended	Revaluations gains and losses	Balance at 31 July 2021
	£	£	£	£	£
Unrestricted general funds	6,618,896	3,103,073	(2,488,147)	-	7,233,822

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	43,798	43,690

Rabbi S Kohn is a trustee of the charity, for which he is not remunerated. He is remunerated for his role as Principal of the college. Total remuneration, including employers national insurance contributions, was £43,798 (2021: £43,690).

During the year six family members of one of the trustees received remuneration totalling £139,728 (2021: six - £139,986).

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

19	Cash generated from operations	2022 £	2021 £	
	Surplus for the year	270,090	614,926	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(12,138)	(11,787)	
	Depreciation and impairment of tangible fixed assets	209,661	152,316	
	Movements in working capital:			
	Decrease/(increase) in debtors	5,614	(2,325)	
	Increase in creditors	9,178	250,278	
	Cash generated from operations	482,405	1,003,408	
20	Analysis of changes in net (debt)/funds			
		At 1 August 2021 £	Cash flows £	At 31 July 2022 £
	Cash at bank and in hand	273,869	203,732	477,601
	Loans falling due within one year	(1,037,500)	963,829	(73,671)
	Loans falling due after more than one year	(120,000)	(1,107,184)	(1,227,184)
		(883,631)	60,377	(823,254)