

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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 Unit 2, Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
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)

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BETH MIDRASH LEMOROTH

(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2023

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

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 dependent 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.

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.

BETH MIDRASH LEMOROTH

(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

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 470. Our fees for the current year before the deduction of any bursaries were £10,000 per annum and are due to rise to £10,800 per annum in 2023/24.

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 PONSI. 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.

**BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

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.

Total income for the period ended 31 July 2023 was £3,132,932 (2022: £3,008,079)

The Charity reported a surplus of £444,850 (2022: £270,090). The balance sheet shows total funds carried forward of £7,948,762 (2022: £7,503,912).

Free reserves of negative £973,135 are held within unrestricted funds.

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.

Major risks

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 continue to provide much improved and spacious learning and living environments. Work is currently under way 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.

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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.

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

28 May 2024

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 2023 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 2023 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.

**Mr Stephen Slater (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited
Statutory Auditor
Unit 2, Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG**

Date: 29 May 2024

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 2023**

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
Income from:			
Donations and legacies	3	796,701	814,809
Charitable activities	4	2,330,962	2,181,132
Investments	5	5,269	12,138
Total income		3,132,932	3,008,079
Expenditure on:			
Raising funds	6	921	-
Charitable activities	7	2,687,161	2,737,989
Total resources expended		2,688,082	2,737,989
Net income for the year/ Net movement in funds		444,850	270,090
Fund balances at 1 August 2022		7,503,912	7,233,822
Fund balances at 31 July 2023		7,948,762	7,503,912

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

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 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14	8,638,197		8,397,426	
Investment property	15	283,700		283,700	
		8,921,897		8,681,126	
Current assets					
Debtors	16	49,387		54,188	
Cash at bank and in hand		467,668		477,601	
		517,055		531,789	
Creditors: amounts falling due within one year	18	(323,599)		(481,819)	
Net current assets			193,456		49,970
Total assets less current liabilities			9,115,353		8,731,096
Creditors: amounts falling due after more than one year	19	(1,166,591)		(1,227,184)	
Net assets		7,948,762		7,503,912	
The funds of the charity					
General unrestricted funds		3,393,758		2,948,908	
Revaluation reserve		4,555,004		4,555,004	
		7,948,762		7,503,912	

The financial statements were approved by the trustees on 28 May 2024

Rabbi S Kohn
Trustee

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	24		491,708		482,405
Investing activities					
Purchase of tangible fixed assets		(442,163)		(434,166)	
Investment income received		5,269		12,138	
Net cash used in investing activities			(436,894)		(422,028)
Financing activities					
Proceeds from new bank loans		-		1,200,000	
Repayment of bank loans		(64,747)		(1,056,645)	
Net cash (used in)/generated from financing activities			(64,747)		143,355
Net (decrease)/increase in cash and cash equivalents			(9,933)		203,732
Cash and cash equivalents at beginning of year			477,601		273,869
Cash and cash equivalents at end of year			467,668		477,601

BETH MIDRASH LEMOROTH
(JEWISH TEACHERS' TRAINING COLLEGE GATESHEAD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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 2023

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 2023

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 2023

3 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	156,665	80,576
Grants receivable	640,036	734,233
	<u>796,701</u>	<u>814,809</u>
Grants receivable for core activities		
Other	640,036	734,233
	<u>640,036</u>	<u>734,233</u>

4 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fees and scholarships	2,330,962	2,181,132

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	3,464	12,060
Interest receivable	1,805	78
	<u>5,269</u>	<u>12,138</u>

6 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Advertising	921	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

7 Charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Staff costs	1,127,452	1,124,339
Depreciation and impairment	201,392	209,661
Student meals	387,548	338,261
Kitchen disposables	49,603	53,995
Accreditation fees	60,280	63,052
Cleaning and gardening	72,714	62,256
Premises costs	217,952	153,598
Repairs and maintenance	86,524	280,247
Printing, postage, stationery and telephone	43,419	33,162
Staff and teacher training	53,456	49,682
Travelling expenses	48,425	39,937
Bank and loan costs	75,460	43,729
Legal and professional	9,901	11,238
Hire of hall and equipment	13,141	9,014
Security costs	186,005	193,500
Sundry expenses	43,737	61,744
	<u>2,677,009</u>	<u>2,727,415</u>
Share of governance costs (see note 8)	10,152	10,574
	<u><u>2,687,161</u></u>	<u><u>2,737,989</u></u>

8 Support costs allocated to activities

	Charitable activities	Total
	2023	2022
	£	£
Governance	10,152	10,574
	<u><u>10,152</u></u>	<u><u>10,574</u></u>
Governance costs comprise:	2023	2022
	£	£
Audit fees	3,420	3,420
Accountancy	6,732	7,154
	<u><u>10,152</u></u>	<u><u>10,574</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

9	Net movement in funds	2023	2022
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable to the charity's auditor:		
	- for the audit of the charity's financial statements	3,420	3,420
	- for other financial services	6,732	7,154
	Depreciation of owned tangible fixed assets	201,392	209,661
		<u> </u>	<u> </u>

10	Auditor's remuneration	2023	2022
		£	£
	Fees payable to the charity's auditor and associates:		
	For audit services		
	Audit of the financial statements of the charity	3,420	3,420
		<u> </u>	<u> </u>
	For other services		
	All other non-audit services	6,732	7,154
		<u> </u>	<u> </u>

11	Trustees
	None of the trustees (or any persons connected with them) received any expenses from the charity during the year.
	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 12 to the accounts. No trustee received remuneration in their capacity as a trustee of the charity, either in the current or prior year.

12	Employees	2023	2022
		Number	Number
	The average monthly number of employees during the year was:		
	Teaching staff	25	24
	Administration	3	3
	Domestic	5	6
	Catering	6	7
	Pension	1	1
		<u> </u>	<u> </u>
	Total	40	41
		<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

12 Employees **(Continued)**

Employment costs	2023 £	2022 £
Wages and salaries	1,021,574	1,018,219
Social security costs	85,512	86,409
Other pension costs	20,366	19,711
	<u>1,127,452</u>	<u>1,124,339</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000 to £69,999	1	1
£70,000 to £79,999	1	1
	<u>1</u>	<u>1</u>

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2023 £	2022 £
Aggregate compensation	<u>43,741</u>	<u>43,798</u>

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 and employers pension, £43,741 (2022: £43,798).

13 Taxation

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

BETH MIDRASH LEMOROTH
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

14 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures and fittings	Central heating installation	New classroom building	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 August 2022	5,752,573	-	1,297,344	60,636	2,479,277	9,589,830
Additions	-	371,941	-	-	70,222	442,163
At 31 July 2023	5,752,573	371,941	1,297,344	60,636	2,549,499	10,031,993
Depreciation and impairment						
At 1 August 2022	61,423	-	887,320	50,443	193,218	1,192,404
Depreciation charged in the year	21,508	-	61,510	1,529	116,845	201,392
At 31 July 2023	82,931	-	948,830	51,972	310,063	1,393,796
Carrying amount						
At 31 July 2023	5,669,642	371,941	348,514	8,664	2,239,436	8,638,197
At 31 July 2022	5,691,150	-	410,024	10,193	2,286,059	8,397,426

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 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £519,016 (2022: £546,333).

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

15 Investment property

	2023 £
Fair value	
At 1 August 2022 and 31 July 2023	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
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

16 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	2,000	3,300
Other debtors	26,733	30,632
Prepayments and accrued income	20,654	20,256
	<u>49,387</u>	<u>54,188</u>

17 Loans and overdrafts

	2023	2022
	£	£
Bank loans	<u>1,236,108</u>	<u>1,300,855</u>
Payable within one year	69,517	73,671
Payable after one year	<u>1,166,591</u>	<u>1,227,184</u>

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.

18 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	17	69,517	73,671
Other taxation and social security		19,427	21,239
Trade creditors		137,542	251,800
Other creditors		66,437	59,987
Accruals and deferred income		30,676	75,122
		<u>323,599</u>	<u>481,819</u>

19 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	17	<u>1,166,591</u>	<u>1,227,184</u>

20 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>20,366</u>	<u>19,711</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

20 Retirement benefit schemes

(Continued)

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

21 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Six family members of one of the trustees received remuneration, including employers national insurance contributions and employers pension totalling £140,884 (2022: £139,728).

22 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 1 August 2022	Incoming resources	Resources expended	At 31 July 2023
	£	£	£	£
General funds	7,503,912	3,132,932	(2,688,082)	7,948,762
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 August 2021	Incoming resources	Resources expended	At 31 July 2022
	£	£	£	£
General funds	7,233,822	3,008,079	(2,737,989)	7,503,912
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Analysis of net assets between funds

	Unrestricted funds 2023 £
At 31 July 2023:	
Tangible assets	8,638,197
Investment properties	283,700
Current assets/(liabilities)	193,456
Long term liabilities	(1,166,591)
	<u> </u>
	<u>7,948,762</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

23 Analysis of net assets between funds

(Continued)

**Unrestricted
funds
2022
£**

At 31 July 2022:

Tangible assets	8,397,426
Investment properties	283,700
Current assets/(liabilities)	49,970
Long term liabilities	(1,227,184)
	<u>7,503,912</u>

24 Cash generated from operations

2023

£

2022

£

Surplus for the year	444,850	270,090
Adjustments for:		
Investment income recognised in statement of financial activities	(5,269)	(12,138)
Depreciation and impairment of tangible fixed assets	201,392	209,661
Movements in working capital:		
Decrease in debtors	4,801	5,614
(Decrease)/increase in creditors	(154,066)	9,178
Cash generated from operations	<u>491,708</u>	<u>482,405</u>

25 Analysis of changes in net (debt)/funds

**At 1 August
2022
£**

**Cash flows
£**

**At 31 July
2023
£**

Cash at bank and in hand	477,601	(9,933)	467,668
Loans falling due within one year	(73,671)	4,154	(69,517)
Loans falling due after more than one year	(1,227,184)	60,593	(1,166,591)
	<u>(823,254)</u>	<u>54,814</u>	<u>(768,440)</u>