

COMPANY REGISTRATION NUMBER: 6935713
CHARITY REGISTRATION NUMBER: 1130433

The Gateshead Cheder Ltd
Company Limited by Guarantee
Financial Statements
30 November 2018



HAS LTD
Chartered accountants
& statutory auditor
Prince Albert House
2b Mather Avenue
Prestwich
Manchester
M25 0LA

The Gateshead Cheder Ltd

Company Limited by Guarantee

Financial Statements

Year ended 30 November 2018

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	7
Statement of financial activities (including income and expenditure account)	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14

The Gateshead Cheder Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 November 2018

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 November 2018.

Reference and administrative details

Registered charity name: The Gateshead Cheder Ltd

Charity registration number: 1130433

Company registration number: 6935713

Principal office and registered office: Tynegate Precinct
Sunderland Road
Gateshead
Tyne & Wear
NE8 3HY

The trustees: S Kohn
A M Rabinowitz

Auditor: HAS Ltd
Chartered accountants & statutory auditor
Prince Albert House
2b Mather Avenue
Prestwich
Manchester
M25 0LA

Bankers: Lloyds Bank plc
15 West Street
Gateshead
Tyne & Wear
NE8 1DP

The Gateshead Cheder Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 November 2018

Structure, governance and management

The Gateshead Cheder Ltd is constituted by Memorandum and Articles of Association and is a company limited by guarantee. It was incorporated on 16 June 2009 as a company and the company number is 6935713. It was registered as a charity on 30 June 2009 with a charity number 1130433.

Organisation

The trustees are responsible for the control and direction of the school together with the governors. The day to day running of the school is carried out by the trustees in consultation with the senior management team.

Recruitment of trustees

Recruitment and appointment of new trustees is in line with the Memorandum and Articles of Association and with the consent of the trustees. The criteria set for the suitable candidate would be someone who is sensitive to the needs and demands of the organisation.

There is no chief executive officer. The day to day affairs are undertaken by Mr C Karniol on behalf of the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees.

Training and induction of trustees is applied as applicable.

Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage our exposure to the major risks.

The risks faced by the trust are principally operational risks from ineffective running of the school. These risks are managed by the trustees ensuring the right staff are utilised and the right policies are implemented.

In terms of financial risk, this is dependent on the efficient collection of voluntary contributions from parents and on charitable contributions from members of the local community. If external fund raising is not maximised this can have a negative impact on the school with regard to the recruitment of the most suitably qualified teachers as well as on extra curricular activities. Acquisition of educational material would also be restricted.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all aspects of the school management.

Risk Management

The process of examining the risks to which the charity is exposed is ongoing and the trustees are planning to further develop systems to monitor and control these risks in order to lessen their potential impact on the Charity.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 November 2018

Objectives and activities

Objects

The objects of the charity are (i) the advancement of orthodox Jewish religious education and education in general and (ii) the advancement of such other objects as are for the benefit of the public and are charitable according to English Law.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year.

Grant making policy

The charity pays out grants in line with the objects as stated in the Memorandum and Articles of Association.

Principal Activities of the year

The charity is funded by voluntary contributions, grants and donations. The charity provides education to children in the Gateshead area.

Objectives for the year

This year, the focus has been on the continued achievement of academic performance.

The trustees consider they have met the public benefit test and outline these achievements below.

The trustees consider the shorter term aims to be similar to the longer term aims and assess the achievement of the charity in the same way.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 November 2018

Achievements and performance

During the year the charity received £220,516 in voluntary contributions, £691,326 in childcare fees, £24,716 in transportation fees and £90,694 in donations.

The charity paid out £1,185,664 for teaching, direct educational expenditure and support costs. The charity was successful in dispensing education to children of various ages during the year. The charity operated a school called a Cheder that educated 269 primary school age boys in the Gateshead area.

The school was subject to a material change OFSTED inspection during the year. The trustees report that the school was informed it did not meet the independent schools standard relevant to the material change. The material change has already been implemented and the school has submitted to the DFE all the necessary requirements and is waiting a reply.

The charity also had grants receivable from SureStart, CST and Gateshead MBC and others amounting to £314,866 during the year.

Grants totalling £31,400 were paid out to various other educational establishments during the year. These grants were made in line with the stated objects of the charity.

There were no investments made during the year.

Related party transactions are as disclosed in the notes to the accounts.

Fundraising costs incurred during the year are as detailed in the notes to the accounts.

The trustees restated the previous year's figures for the debtor that had been capitalised in error in previous years. The building is not owned by the charity but the school has all rights and obligations on the building as well as all risks and rewards associated with it. The trustees have chosen to show the property so that users of the accounts gain a better understanding of what is actually happening in the charity.

The revaluation was necessary to reflect the fair value of the property which comprises a ten story building.

There was an overall net income and net movement in funds for the year amounting to £134,293.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 November 2018

Financial review

The trustees feel that the activity reflects the profile and standing within the local community. The impact for future year's expenditure is self evident and the trustees would like to record their appreciation for all the financial and other support received from benefactors during the course of the year.

Reserves policy

The Unrestricted Fund represents the unrestricted funds arising from past operating results. The prior year reserves of the charity were amended to reflect the debtor that had been capitalised as mentioned above. The free reserves represented by the current assets are in a healthy state.

It is the policy of the charity to maintain unrestricted funds at a level sufficient to cover unforeseen and major expenditure and shortfalls in income. The trustees remain confident in their ability to raise the necessary funds, thereby adhering to the stated policy and to the maintenance of a balanced budget. Additionally, most of the current liabilities and all of the long term liabilities are interest free loans from well wishers who want the school to succeed and would not call them in to the detriment of the charity.

The reserves stand at £1,158,671, all of which are unrestricted.

Trustees' responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 November 2018

Auditor

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

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

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

The trustees' annual report and the strategic report were approved on 10 April 2019 and signed on behalf of the board of trustees by:


A M Rabinowitz
Trustee

The Gateshead Cheder Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Gateshead Cheder Ltd

Year ended 30 November 2018

Opinion

We have audited the financial statements of The Gateshead Cheder Ltd (the 'charity') for the year ended 30 November 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 November 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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. The previous year's financial statements were not audited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Gateshead Cheder Ltd (continued)

Year ended 30 November 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Gateshead Cheder Ltd *(continued)*

Year ended 30 November 2018

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

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

The Gateshead Cheder Ltd

Company Limited by Guarantee

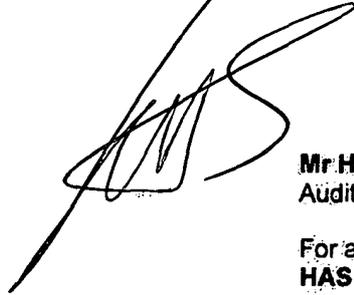
Independent Auditor's Report to the Members of The Gateshead Cheder Ltd *(continued)*

Year ended 30 November 2018

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Howard Schwalbe ACA (Senior Statutory Auditor)

For and on behalf of
HAS Ltd
Chartered accountants & statutory auditor

Prince Albert House
2b Mather Avenue
Prestwich
Manchester
M25 0LA

10 April 2019

The Gateshead Cheder Ltd

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 November 2018

		2018		2017
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	405,560	405,560	328,601
Investment income	6	5	5	653
Other income	7	936,558	936,558	657,070
Total income		<u>1,342,123</u>	<u>1,342,123</u>	<u>986,324</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	8	22,166	22,166	15,175
Expenditure on charitable activities	9,10	1,185,664	1,185,664	1,006,961
Total expenditure		<u>1,207,830</u>	<u>1,207,830</u>	<u>1,022,136</u>
Net income/(expenditure)		<u>134,293</u>	<u>134,293</u>	<u>(35,812)</u>
Other recognised gains and losses				
Gains from revaluation of fixed assets		-	-	1,060,000
Net movement in funds		<u>134,293</u>	<u>134,293</u>	<u>1,024,188</u>
Reconciliation of funds				
Total funds brought forward		1,024,378	1,024,378	190
Total funds carried forward		<u>1,158,671</u>	<u>1,158,671</u>	<u>1,024,378</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

The Gateshead Cheder Ltd

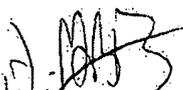
Company Limited by Guarantee

Statement of Financial Position

30 November 2018

		2018		2017
	Note	£	£	(restated) £
Fixed assets				
Tangible fixed assets	18		1,509,931	1,517,036
Current assets				
Debtors	19	183,021		1,089,672
Cash at bank and in hand		1,095,276		27,828
		<u>1,278,297</u>		<u>1,117,500</u>
Creditors: amounts falling due within one year	20	<u>437,557</u>		<u>545,158</u>
Net current assets			<u>840,740</u>	<u>572,342</u>
Total assets less current liabilities			<u>2,350,671</u>	<u>2,089,378</u>
Creditors: amounts falling due after more than one year	21		<u>1,192,000</u>	<u>1,065,000</u>
Net assets			<u>1,158,671</u>	<u>1,024,378</u>
Funds of the charity				
Unrestricted funds:				
Revaluation reserve		1,060,000		1,060,000
Other unrestricted income funds		98,671		(35,622)
Total unrestricted funds		<u>1,158,671</u>		<u>1,024,378</u>
Total charity funds	23		<u>1,158,671</u>	<u>1,024,378</u>

These financial statements were approved by the board of trustees and authorised for issue on 10 April 2019, and are signed on behalf of the board by:


A.M. Rabinowitz
Trustee

The notes on pages 14 to 23 form part of these financial statements.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Statement of Cash Flows

Year ended 30 November 2018

	2018	2017
	£	(restated) £
Cash flows from operating activities		
Net income/(expenditure)	134,293	(35,812)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	10,253	9,780
Other interest receivable and similar income	(5)	(653)
Accrued expenses	3,600	7,834
<i>Changes in:</i>		
Trade and other debtors	906,651	6,339
Trade and other creditors	15,799	84,396
Cash generated from operations	1,070,591	71,885
Interest received	5	653
Net cash from/(used in) operating activities	1,070,596	72,538
Cash flows from investing activities		
Purchase of tangible assets	(3,148)	(75,884)
Net cash used in investing activities	(3,148)	(75,884)
Net increase/(decrease) in cash and cash equivalents	1,067,448	(3,347)
Cash and cash equivalents at beginning of year	27,828	31,175
Cash and cash equivalents at end of year	1,095,276	27,828

The notes on pages 14 to 23 form part of these financial statements.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 November 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Tynegate Precinct, Sunderland Road, Gateshead, Tyne & Wear, NE8 3HY.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

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

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

Going concern

There are no material uncertainties about the charity's ability to continue because the loan creditors have confirmed that they will not call in their interest free loans to the detriment of the cash flow of the charity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported.

Fund accounting

Unrestricted funds are those available for use for general purposes at the discretion of the charity trustees and governors in furtherance of the charity's objects.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

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

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

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

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

3. Accounting policies *(continued)*

Tangible assets

The building is not owned by the charity but the school has all the rights and obligations on the building, as well as all the risks and rewards associated with it.

The trustees have chosen to show the property in the accounts so that users of the accounts gain a better understanding as to what is happening in the charity.

The tangible assets are adjusted to reflect the fair value of the property.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	15% straight line
Equipment	-	15% straight line

The trustees have decided not to depreciate the freehold property on the basis that the current carrying value represents the open market value of the property.

This is not in keeping with the Companies Act requirements but is done on grounds of true and fair.

This is primarily due to the building being maintained to a high standard and is in good order.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

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

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

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

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

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

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 30 November 2018

4. Limited by guarantee

The Gateshead Cheder Ltd is a registered charity and a company limited by guarantee and does not have a share capital. In the event of the charity being wound up, members are required to contribute an amount not exceeding £10.

5. Donations and legacies

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Donations				
Donations	90,694	90,694	125,213	125,213
Grants				
Grants received from public authority	199,531	199,531	138,701	138,701
CST grants receivable	115,335	115,335	62,037	62,037
Other grants receivable	—	—	2,650	2,650
	<u>405,560</u>	<u>405,560</u>	<u>328,601</u>	<u>328,601</u>

6. Investment income

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Bank interest receivable	5	5	83	83
Rental income	—	—	570	570
	<u>5</u>	<u>5</u>	<u>653</u>	<u>653</u>

7. Other income

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Voluntary contributions	220,516	220,516	26,676	26,676
Childcare fees	691,326	691,326	604,279	604,279
Transport fees	24,716	24,716	26,115	26,115
	<u>936,558</u>	<u>936,558</u>	<u>657,070</u>	<u>657,070</u>

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

8. Costs of other trading activities

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Sundry fundraising expenses	<u>22,166</u>	<u>22,166</u>	<u>15,175</u>	<u>15,175</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Teaching & direct educational expenditure	1,090,859	1,090,859	946,117	946,117
Support costs	<u>94,805</u>	<u>94,805</u>	<u>60,844</u>	<u>60,844</u>
	<u>1,185,664</u>	<u>1,185,664</u>	<u>1,006,961</u>	<u>1,006,961</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Grant funding of activities	Support costs	Total funds 2018	Total fund 2017
	£	£	£	£	£
Teaching & direct educational expenditure	1,059,459	31,400	85,799	1,176,658	1,001,922
Governance costs	—	—	9,006	9,006	5,039
	<u>1,059,459</u>	<u>31,400</u>	<u>94,805</u>	<u>1,185,664</u>	<u>1,006,961</u>

11. Analysis of support costs

	Analysis of support costs	Total 2018	Total 2017
	£	£	£
Staff costs	71,063	71,063	45,263
General office	14,736	14,736	10,542
Governance costs	9,006	9,006	5,040
	<u>94,805</u>	<u>94,805</u>	<u>60,845</u>

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

12. Analysis of grants

	2018	2017
	£	£
Grants to institutions		
Gateshead Kollel	27,500	29,000
Other educational grants	3,900	—
	<u>31,400</u>	<u>29,000</u>
Total grants	<u>31,400</u>	<u>29,000</u>

13. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	<u>10,253</u>	<u>9,780</u>

14. Auditors remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>—</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>2,400</u>	<u>—</u>

15. Independent examination fees

	2018	2017
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>—</u>	<u>4,800</u>

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	657,140	541,761
Social security costs	3,460	4,061
Employer contributions to pension plans	1,019	555
	<u>661,619</u>	<u>546,377</u>

The average head count of employees during the year was 90 (2017: 74). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Number of administrative staff	4	4
Number of teaching staff (full & part-time)	86	70
	<u>90</u>	<u>74</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

17. Trustee remuneration and expenses

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

18. Tangible fixed assets

	Land and buildings	Fixtures and fittings	Equipment	Total
	£	£	£	£
Cost				
At 1 December 2017 (as restated)	1,469,864	55,874	9,327	1,535,065
Additions:	–	2,028	1,120	3,148
At 30 November 2018	<u>1,469,864</u>	<u>57,902</u>	<u>10,447</u>	<u>1,538,213</u>
Depreciation				
At 1 December 2017	–	13,852	4,177	18,029
Charge for the year	–	8,686	1,567	10,253
At 30 November 2018	<u>–</u>	<u>22,538</u>	<u>5,744</u>	<u>28,282</u>
Carrying amount				
At 30 November 2018	<u>1,469,864</u>	<u>35,364</u>	<u>4,703</u>	<u>1,509,931</u>
At 30 November 2017	<u>1,469,864</u>	<u>42,022</u>	<u>5,150</u>	<u>1,517,036</u>

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

18. Tangible fixed assets *(continued)*

The building is not owned by the charity but the school has all the rights and obligations on the building, as well as all the risks and rewards associated with it.

The trustees have chosen to show the property in the accounts so that users of the accounts gain a better understanding as to what is happening in the charity.

The tangible assets are adjusted to reflect the fair value of the property.

19. Debtors

	2018	2017 <i>(restated)</i>
	£	£
Trade debtors	181,387	29,672
Other debtors	1,634	1,060,000
	<u>183,021</u>	<u>1,089,672</u>

20. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	38,040	25,865
Accruals and deferred income	8,400	4,800
Social security and other taxes	11,542	10,172
Other creditors	379,575	504,321
	<u>437,557</u>	<u>545,158</u>

21. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	<u>1,192,000</u>	<u>1,065,000</u>

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,019 (2017: £555).

The Gateshead Cheder Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

23. Analysis of charitable funds

Unrestricted funds

	At 01 Dec 2017 £	Income £	Expenditure £	Gains and losses £	At 30 Nov 2018 £
General funds	(35,622)	1,342,123	(1,207,830)	—	98,671
Revaluation reserve	1,060,000	—	—	—	1,060,000
	<u>1,024,378</u>	<u>1,342,123</u>	<u>(1,207,830)</u>	<u>—</u>	<u>1,158,671</u>

	At 01 Dec 2016 £	Income £	Expenditure £	Gains and losses £	At 30 Nov 2017 <i>(restated)</i> £
General funds	190	986,324	(1,022,136)	—	(35,622)
Revaluation reserve	—	—	—	1,060,000	1,060,000
	<u>190</u>	<u>986,324</u>	<u>(1,022,136)</u>	<u>1,060,000</u>	<u>1,024,378</u>

24. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2018 £
Tangible fixed assets	1,509,931	1,509,931
Current assets	1,278,297	1,278,297
Creditors less than 1 year	(437,557)	(437,557)
Creditors greater than 1 year	(1,192,000)	(1,192,000)
Net assets	<u>1,158,671</u>	<u>1,158,671</u>

	Unrestricted Funds £	Total Funds 2017 £
Tangible fixed assets	1,517,036	1,517,036
Current assets	1,117,500	1,117,500
Creditors less than 1 year	(545,158)	(545,158)
Creditors greater than 1 year	(1,065,000)	(1,065,000)
Net assets	<u>1,024,378</u>	<u>1,024,378</u>

25. Taxation

The Gateshead Cheder Ltd is a registered charity and therefore is not liable to income tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.