

Charity Registration No. 1039036

Company Registration No. 02884621 (England and Wales)

FORTY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

FORTY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Richard Spitzer Mr Jacob Gluck Mrs Hanna Gluck Mr Avrohom Schechter
Secretary	Mr Richard Spitzer Mr Avrohom Schechter
Charity number	1039036
Company number	02884621
Principal address	Woodbury Down Centre Woodbury Down London N4 2SH
Registered office	1st Floor, Cloister House Riverside New Bailey Street Manchester M3 5FS
Auditor	Lopian Gross Barnett & Co 1st Floor, Cloister House Riverside New Bailey Street Manchester M3 5FS
Bankers	Barclays Bank Plc London The Manager Barclays Bank Plc 1 Church Hill Place London E14 5HP

FORTY LIMITED

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FORTY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and financial statements for the year ended 31 August 2020.

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 Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are the advancement of religion and education in accordance with the orthodox Jewish faith, the relief of poverty and such other charitable objectives recognised by English law.

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

The charity receives rental income and makes grants to other charities.

Achievements and performance

The property is based in North London and is used by an associated charitable company as a school, crèche and nursery and a charity that provides after school clubs & holiday play schemes, for the Orthodox Jewish community. Rents are paid at a level as agreed between the two charities.

The charity is constantly developing and maintaining its property to enable expansion of the school that owns the premises and has this year added a number of new classrooms and offices to the buildings including remedial rooms and crèche premises.

The trustees of the charity confirm that they have considered The Charity Commission's general guidance on public benefit and the requirements of Section 4 of the Charities Act 2011 in this area.

Financial review

The trustees are satisfied with the results for the year and anticipate the level of activities to continue to increase year on year. The fund balance at the year end is £9,070,109. This is currently being used in the expansion of the building. The level of fundraising must continue if the charity is to continue with its plans for the future.

The trustees ensure that the charity has sufficient reserves available to cover anticipated outgoings. In addition the trustees have received undertakings from local supporters to cover any deficit if such should arise.

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.

To continue building additional classrooms and areas to meet the growing demands of the school and crèche and to maintain and develop the existing building to a very high standard to ensure compliance with any regulatory requirement.

Structure, governance and management

The charity is a company limited by guarantee and accordingly does not have a share capital. The charity is governed by its Memorandum and Articles of Association dated 5th January 1994.

Every member of the company undertakes to contribute such an amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

FORTY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who, aside from Mr Avrohom Schechter, are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Richard Spitzer
Mr Jacob Gluck
Mrs Hanna Gluck
Mr Avrohom Schechter

It is not currently the intention of the charity to appoint new trustees. Should this situation change in the future, the trustees will apply suitable recruitment and training procedures.

All decisions made on behalf of the charity are made by the trustees.

The trustees are responsible for the provision of means to distribute charitable donations to worthy causes.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

The charity owns property which is currently being used by another charity whose activity is the running of a creche, nursery, junior and secondary schools and a charity that provides after school clubs & holiday playschemes.

The charity lets out its property to a connected charity, Beis Chinuch Lebonos Limited and also Kids N Action.

Details of transactions with related parties are disclosed in the notes to the financial statements.

Auditor

In accordance with the company's articles, a resolution proposing that Lopian Gross Barnett & Co be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Mr Richard Spitzer

Trustee

Dated: 15/10/21

FORTY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also the directors of Forty Limited for the purpose 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 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, including the income and expenditure, of the charitable company 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
- 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 adequate 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 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.

FORTY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FORTY LIMITED

Opinion

We have audited the financial statements of Forty Limited (the 'charity') for the year ended 31 August 2020 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 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 charitable company's affairs as at 31 August 2020 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 Companies Act 2006.

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

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.

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. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

FORTY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF FORTY LIMITED

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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or 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.

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

FORTY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF FORTY LIMITED

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 auditors' 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.



Jonathan Brodie ACA (Senior Statutory Auditor)
for and on behalf of Lopian Gross Barnett & Co

13/08/2021
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Chartered Accountants
Statutory Auditor

1st Floor, Cloister House
Riverside
New Bailey Street
Manchester
M3 5FS

Lopian Gross Barnett & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

FORTY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Notes		
<u>Income from:</u>			
Voluntary income			
	3	516,063	605,527
Investments	4	842,000	866,500
Total income		1,358,063	1,472,027
<u>Expenditure on:</u>			
Raising funds	5	41,078	67,806
Charitable activities	6	774,008	924,291
Total resources expended		815,086	992,097
Net income for the year/ Net movement in funds		542,977	479,930
Fund balances at 1 September 2019		8,527,132	8,047,202
Fund balances at 31 August 2020		9,070,109	8,527,132

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FORTY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		52,780		53,040
Investment properties	13		11,464,485		11,035,940
			<u>11,517,265</u>		<u>11,088,980</u>
Current assets					
Debtors	14	38,420		30,000	
Creditors: amounts falling due within one year	16	(1,598,182)		(1,682,512)	
Net current liabilities			<u>(1,559,762)</u>		<u>(1,652,512)</u>
Total assets less current liabilities			<u>9,957,503</u>		<u>9,436,468</u>
Creditors: amounts falling due after more than one year	17		(887,394)		(909,336)
Net assets			<u><u>9,070,109</u></u>		<u><u>8,527,132</u></u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		3,153,620		2,610,643	
Gain on revaluation of investment property fund		<u>5,916,489</u>		<u>5,916,489</u>	
			<u>9,070,109</u>		<u>8,527,132</u>
			<u><u>9,070,109</u></u>		<u><u>8,527,132</u></u>

FORTY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 12/Aug/21


Mr Richard Spitzer
Trustee

Company Registration No. 02884621

FORTY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(351,452)		(446,912)
Investing activities					
Purchase of tangible fixed assets		(5,604)		(1,978)	
Additions to investment property		(428,545)		(283,249)	
Rental income received		842,000		866,500	
Net cash generated from investing activities			407,851		581,273
Financing activities					
Repayment of bank loans		(19,442)		(125,260)	
Net cash used in financing activities			(19,442)		(125,260)
Net increase in cash and cash equivalents			36,957		9,101
Cash and cash equivalents at beginning of year			(41,934)		(51,035)
Cash and cash equivalents at end of year			(4,977)		(41,934)
Relating to:					
Cash at bank and in hand			-		-
Bank overdrafts included in creditors payable within one year			(4,977)		(41,934)

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

Forty Limited is a private company limited by guarantee incorporated in England & Wales. The registered office is 1st Floor Cloister House Riverside, New Bailey Street, Salford, England, M3 5FS.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association dated 5 January 1994, the Companies Act 2006 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)". 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 financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in achieving the charity's objectives.

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

1 Accounting policies

(Continued)

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with the regulation of good practice. These costs include costs related to statutory audit and direct governing costs.

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:

Plant and machinery	10% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Investment properties

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

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.

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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Voluntary income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	516,063	605,527

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

4 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Rental income	842,000	866,500

The superior tenant is Beis Chinuch Lebonos Limited, a connected charitable company, for the use of the buildings used in the running of Beis Chinuch Lebonos Limited's school.

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
<u>Fundraising and publicity</u>		
Other fundraising costs	41,078	67,806
	41,078	67,806

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

6 Charitable activities

	Charitable activities 2020 £	Donations made 2020 £	Total 2020 £	Charitable activities 2019 £	Donations made 2019 £	Total 2019 £
Depreciation and impairment	5,864	-	5,864	5,893	-	5,893
Other establishment costs	82,305	-	82,305	4,070	-	4,070
Depreciation and impairment	-	-	-	5,893	-	5,893
Bank charges and interest	20,661	-	20,661	22,511	-	22,511
Sundry expenses	-	-	-	1,525	-	1,525
	<u>108,830</u>	<u>-</u>	<u>108,830</u>	<u>39,892</u>	<u>-</u>	<u>39,892</u>
Grant funding of activities (see note 7)	-	661,578	661,578	-	880,799	880,799
Share of governance costs (see note 8)	3,600	-	3,600	3,600	-	3,600
	<u>112,430</u>	<u>661,578</u>	<u>774,008</u>	<u>43,492</u>	<u>880,799</u>	<u>924,291</u>

7 Grants payable

	Donations made 2020 £	Donations made 2019 £
Grants to institutions:		
Mifal Hachessed Vehatzdokoh	18,000	155,100
One Heartlev Echod	18,000	108,500
Wlodowa Charity and Rehabilitation Trust	360,000	329,500
Friends Of Beis Soroh Shnierer	50,000	110,909
Spinka	-	35,000
Mercatz Hatorah Belz Machnovke	-	66,750
Shefa Chaim	42,320	-
Sharei Chesed London	23,165	-
Beis Nadvorne	18,410	-
Other	131,683	75,040
	<u>661,578</u>	<u>880,799</u>

The grants are made to achieve the charity's objectives.

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Audit fee	-	3,600	3,600	-	3,600	3,600
	-	3,600	3,600	-	3,600	3,600
Analysed between Charitable activities	-	3,600	3,600	-	3,600	3,600

Governance costs includes payments to the auditors of £3,600 (2019- £3,600) for audit fees.

9 Trustees

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

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

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

11 Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 September 2019	137,881
Additions	5,604
At 31 August 2020	143,485
Depreciation and impairment	
At 1 September 2019	84,841
Depreciation charged in the year	5,864
At 31 August 2020	90,705
Carrying amount	
At 31 August 2020	52,780
At 31 August 2019	53,040

13 Investment property

	2020 £
Fair value	
At 1 September 2019	11,035,940
Additions through external acquisition	428,545
At 31 August 2020	11,464,485

The charity's fixed asset investment is situated in the United Kingdom.

The valuation was performed by the trustees of the charity whose basis was derived at from a previous valuation performed in 2018 by a qualified independent valuer. The value of the property is determined by the rental yields which have not changed significantly since the valuation was performed; therefore, the trustees believe the valuation remains appropriate at the balance sheet date.

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	38,420	30,000

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

15 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	4,977	41,934
Bank loans	978,494	997,936
	<u>983,471</u>	<u>1,039,870</u>
Payable within one year	96,077	130,534
Payable after one year	<u>887,394</u>	<u>909,336</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>443,000</u>	<u>443,000</u>

The bank loan is secured by a first legal charge on the charity's investment property and is repayable on 1 September 2032.

The charity received a government-backed bounce back loan during the year for £50,000. The loan is over 60 months with a 2.5% interest rate, with no interest or repayments due within the first year.

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	15	96,077	130,534
Trade creditors		92,115	65,152
Other creditors		1,401,350	1,478,186
Accruals and deferred income		8,640	8,640
		<u>1,598,182</u>	<u>1,682,512</u>

17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	15	<u>887,394</u>	<u>909,336</u>

18 Response to Covid-19

The trustees have reviewed the position at date of signing and consider there have been no impacts of Covid-19 which require disclosure.

FORTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

19 Related party transactions

The charity leases its property Beis Chinuch Lebonos Limited, a connected charity with a rental income of £840,000 p.a (2019: £840,000).

At the year end, the charity owed £1,245,637 (2019: £1,488,306) to Beis Chinoch Lebonos Limited. The loan is payable on demand and no interest is charged.

There are no further related party transactions which require disclosure.

20 Cash generated from operations	2020	2019
	£	£
Surplus for the year	542,977	479,930
Adjustments for:		
Rental income received	(842,000)	(866,500)
Depreciation and impairment of tangible fixed assets	5,864	5,893
Movements in working capital:		
(Increase) in debtors	(8,420)	(30,000)
(Decrease) in creditors	(49,873)	(36,235)
Cash absorbed by operations	(351,452)	(446,912)

21 Analysis of changes in net (debt)/funds

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Bank overdrafts	(41,934)	36,957	(4,977)
Loans falling due within one year	(88,600)	(2,500)	(91,100)
Loans falling due after more than one year	(909,336)	21,942	(887,394)
	(1,039,870)	56,399	(983,471)