

Beis Chinuch Lebonos Limited

Financial Statements

31 August 2021

BRINDLEY GOLDSTEIN LIMITED

Chartered accountants & statutory auditor
103 High Street
Waltham Cross
Herts
EN8 7AN

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2021

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Beis Chinuch Lebonos Limited

Company Limited by Guarantee

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

Year ended 31 August 2021

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 31 August 2021.

Reference and administrative details

Registered charity name Beis Chinuch Lebonos Limited

Charity registration number 1049458

Company registration number 02831224

Principal office and registered office 103 High Street
Waltham Cross
EN8 7AN
England

The trustees

N Spitzer (Appointed 21 January 2022)
E Spitzer
A Schechter
Rabbi C Teitelbaum

Company secretary Neil Spitzer

Auditor Brindley Goldstein Limited
Chartered accountants & statutory auditor
103 High Street
Waltham Cross
Herts
EN8 7AN

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

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

Year ended 31 August 2021

Structure, governance and management

Governing document

The charity is a company limited by guarantee and accordingly does not have share capital. The charity is governed by its Memorandum and Articles of Association dated 29th June 1993.

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.

The trustees, who are also 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: Neil Spitzer, Esther Spitzer Rabbi Chanoch Teitelbaum and Abraham Schechter.

The board of trustees may elect or remove the Chair or any other officers that it wishes. Officers shall be appointed from among the trustees, by a majority vote.

None of the trustees have any beneficial interest in the company.

None of the trustees are entitled to any remuneration for their services.

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.

Organisational structure

The charity's activity is the running of a creche, nursery and school for the Orthodox Jewish community. The charity is under the direction of the trustees who are appointed at the annual general meeting. The charity has a full-time administrator as well as office staff, in addition to teachers and volunteer assistants. No remuneration is taken by any trustee.

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

The school occupies premises owned by a connected charitable company called Forty Limited and rent is paid on a level as agreed with Forty Limited.

The school also has an associated charity called Kids N'Action which provides desperately needed sports, arts and both on and off-site activities for disadvantaged local young people. Kids N'Action programmes have improved the attainment levels as well as social skills and motivation of the children who attend the school.

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

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

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

Year ended 31 August 2021

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.

Objectives and activities

The charity's objects are to provide a full and well balanced education to members of the Orthodox Jewish community, enabling the pupils to become functioning and contributing members of society. In furtherance of this objective, the charity operates an independent Orthodox Jewish creche, nursery and school in North London providing childcare and education for approximately 860 pupils, aged from 3 months to 16 years. The trustees confirm that they have referred to guidance contained in the commissioners' general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The charity's main income is generated from a combination of voluntary donation income and from the government in the form of grants in respect of education. The aims of the charity is to maintain a stable flow of income, sufficient to cover the costs of running the school.

The principle objective of the charity is to provide a full and well balanced education in a safe and supporting learning environment. The trustees also aim to expand the school as necessary as demand for places in the establishment increase with an increasing local population.

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

The charity maintained its significant activities in the year. This consisted of maintaining its income flows to fund its activities to enable high quality education to be provided on an ongoing basis. When considering which pupils to admit, the school does not discriminate based on personal circumstances of their parents.

The charity makes grants to Forty Limited. Forty Limited owns the building that the charity uses as the school and nursery. The funds received are used to help maintain the building and extend it as required. The charity's policy is to distribute excess funds in assisting with the upkeep of the school building.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

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

Year ended 31 August 2021

Strategic report

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

Achievements and performance

Review of activities and achievements

The school was opened in 1987. The trustees are gratified to be able to report a sustained increase in numbers to a total of 860 pupils with ages ranging from 3 months to 16 years. BCL follows the national curriculum leading to GCSE. The school has extremely high pass rates in a variety of subjects at GCSE level, which is very encouraging, especially when considering that the pupils cover a very wide spectrum of ability, including statemented and disabled children and young people.

The school charges fees on a sliding scale to cater for families on low income and nursery children from age 2 to 4 years of age are subsidised by the local authority for between 15 hours and 30 hours per week. The policy of the school is to accept all eligible children irrespective of the ability of their parents to pay. Any deficits are covered by donations from charitable trusts and foundations as well as from local philanthropists.

Fundraising via the receipt of donations continued in the year ensuring objectives set by the charity were achieved. The charity received donation income of £658,565.

The school occupies premises owned by a connected charitable company called Forty Limited. The premises continue to be expanded and refurbished to include new facilities to cater for the growing number of children applying to the school and it continued to accept 3 classes per year which means approximately 70 children per year. As the school continues to grow, further expansion has been agreed so as to accommodate the increasing number of children. A lift has been installed to provide disabled access to all floors of the school. Rent is paid on a level, as agreed with Forty Limited.

We will continue to apply and obtain government and local authority funding for school places where available and the nursery and pre-school facilities which includes a community drop in creche.

Reserves

The trustees ensure that there are sufficient reserves available to cover foreseeable commitments. In addition, the trustees have received undertakings from local supporters to cover any deficit if such should arise.

Governance and internal control

The trustees have 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.

Risk Management Review

A review of the potential risks that are faced by the charity has been undertaken. These are seen to be in the areas of property safety and financial control. Appropriate and reasonable systems are in place to cover foreseeable eventualities. Further reviews will be undertaken from time to time.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

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

Year ended 31 August 2021

Financial review

Although fundraising remains extremely challenging, due to the effects of the covid 19 pandemic, the trustees are encouraged with the fact that planned implementation to seek and recruit skilled and experienced volunteers is showing evidence of succeeding. The charity received income including grants from the local authority of £1,084,069, giving total income in the year of £4,170,319 which is an increase on the previous year (2020: £3,754,747).

The costs of running the school and the charity in the year came to £3,876,369. After donations paid in the year of £40,594, the charity had a net surplus in the year of £301,925.

The fund balance at the year end is (£36,991). The level of fundraising to date must continue if the trust is to continue with its plans for the future.

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.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

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

Year ended 31 August 2021

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 trustees' annual report and the strategic report were approved on 21 June 2022 and signed on behalf of the board of trustees by:



A Schechter
Trustee

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Beis Chinuch Lebonos Limited

Year ended 31 August 2021

Opinion

We have audited the financial statements of Beis Chinuch Lebonos Limited (the 'charity') for the year ended 31 August 2021 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 31 August 2021 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.

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.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Beis Chinuch Lebonos Limited *(continued)*

Year ended 31 August 2021

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, except to the extent otherwise explicitly stated in our report, 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.

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 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.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Beis Chinuch Lebonos Limited *(continued)*

Year ended 31 August 2021

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.

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:

Identifying and testing journal entries and the overall accounting records, particularly those that were significant and unusual.

Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Assessing the extent of compliance, or lack of, with relevant laws and regulations.

Testing key revenue lines, for evidence of management bias.

Verification of key assets.

Obtaining third-party confirmation of material balances.

Documenting and verifying all significant related party balances and transactions.

Reviewing documentation such as the company board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Beis Chinuch Lebonos Limited *(continued)*

Year ended 31 August 2021

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.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Beis Chinuch Lebonos Limited *(continued)*

Year ended 31 August 2021

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 Chapter 3 of Part 16 of the Companies Act 2006. 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.



C.H. Goldstein FCA (Senior Statutory Auditor)

For and on behalf of
Brindley Goldstein Limited
Chartered accountants & statutory auditor
103 High Street
Waltham Cross
Herts
EN8 7AN

21 June 2022

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2021

		2021	2020
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	5	4,170,319	4,170,319
Charitable activities	6	7,975	7,975
Total income		<u>4,178,294</u>	<u>4,178,294</u>
Expenditure			
Expenditure on raising funds:			
Costs of raising donations and legacies	7	16,870	16,870
Expenditure on charitable activities	8,9	3,859,499	3,859,499
Total expenditure		<u>3,876,369</u>	<u>3,876,369</u>
Net (expenditure)/income and net movement in funds		<u>301,925</u>	<u>301,925</u>
Reconciliation of funds			
Total funds brought forward as previously reported		809,069	809,069
Prior year adjustment		(1,074,003)	(1,074,003)
Total funds brought forward as restated		<u>(264,934)</u>	<u>(264,934)</u>
Total funds carried forward		<u>36,991</u>	<u>36,991</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 15 to 25 form part of these financial statements.

Beis Chinuch Lebonos Limited


Company Limited by Guarantee

Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	16	50,700	—
Tangible fixed assets	17	134,907	101,021
		<u>185,607</u>	<u>101,021</u>
Current assets			
Debtors	18	358,235	1,245,594
Cash at bank and in hand		6,960	11,052
		<u>365,195</u>	<u>1,256,646</u>
Creditors: amounts falling due within one year	19	461,230	501,098
Net current liabilities		<u>(96,035)</u>	<u>755,548</u>
Total assets less current liabilities		<u>89,572</u>	<u>856,569</u>
Creditors: amounts falling due after more than one year	20	52,581	47,500
Net liabilities		<u>36,991</u>	<u>809,069</u>
Funds of the charity			
Unrestricted funds		36,991	809,069
Total charity funds	24	<u>36,991</u>	<u>809,069</u>

These financial statements were approved by the board of trustees and authorised for issue on 21 June 2022, and are signed on behalf of the board by:



A Schechter
Trustee

The notes on pages 15 to 25 form part of these financial statements.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2021

	2021 £	2020 £
Cash flows from operating activities		
Net (expenditure)/income	301,925	137,514
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	36,741	27,492
Amortisation of intangible assets	12,675	—
Government grant income	(83,456)	(273,310)
Interest payable and similar charges	9,254	62,856
Accrued (income)/expenses	(4,200)	7,800
Other operating cash flow adjustment	—	588,360
<i>Changes in:</i>		
Trade and other debtors	(186,644)	(1,245,594)
Trade and other creditors	(46,983)	490,798
Cash generated from operations	39,312	(204,084)
Interest paid	(9,254)	(62,856)
Net cash from/(used in) operating activities	<u>30,058</u>	<u>(266,940)</u>
Cash flows from investing activities		
Purchase of tangible assets	(70,627)	(45,318)
Purchase of intangible assets	(63,375)	—
Net cash used in investing activities	<u>(134,002)</u>	<u>(45,318)</u>
Cash flows from financing activities		
Proceeds from borrowings	(2,500)	50,000
Government grant income	83,456	273,310
Payments of finance lease liabilities	18,896	—
Net cash from financing activities	<u>99,852</u>	<u>323,310</u>
Net (decrease)/increase in cash and cash equivalents	(4,092)	11,052
Cash and cash equivalents at beginning of year	11,052	—
Cash and cash equivalents at end of year	<u>6,960</u>	<u>11,052</u>

The notes on pages 15 to 25 form part of these financial statements.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2021

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 103 High Street, Waltham Cross, EN8 7AN, England.

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.

Judgements and key sources of estimation uncertainty

There are no judgements and estimates.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software	- 20% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

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:

Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures, fittings and equipment	- 15% reducing balance

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

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.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

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.

4. Limited by guarantee

The company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company, in the event of a winding up, such an amount as may be required not exceeding £1.

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	658,565	658,565	–	–
Child Care Fees	2,344,229	2,344,229	2,521,679	2,521,679
Grants				
Grants funding receivable	1,084,069	615,307	911,123	911,123
Government grant income	83,456	83,456	273,310	273,310
	<u>4,170,319</u>	<u>4,170,319</u>	<u>3,706,112</u>	<u>3,706,112</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Rental income	<u>7,975</u>	<u>7,975</u>	<u>48,635</u>	<u>48,635</u>

7. Costs of raising donations

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of raising donations	<u>16,870</u>	<u>16,870</u>	<u>10,613</u>	<u>10,613</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Charitable activities	2,012,450	2,012,450	1,734,538	1,734,538
Support costs	1,847,049	1,847,049	1,872,082	1,872,082
	<u>3,859,499</u>	<u>3,859,499</u>	<u>3,606,620</u>	<u>3,606,620</u>

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

14. Staff costs *(continued)*

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable activities	2,012,450	1,843,449	3,855,899	3,598,820
Governance costs	–	3,600	3,600	7,800
	<u>2,012,450</u>	<u>1,847,049</u>	<u>3,859,499</u>	<u>3,606,620</u>

10. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
Staff costs	<u>1,843,449</u>	<u>1,843,449</u>	<u>1,864,282</u>

11. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Grants to institutions	–	228,000
Total grants	<u>–</u>	<u>228,000</u>

12. Net (expenditure)/income

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

	2021 £	2020 £
Amortisation of intangible assets	12,675	–
Depreciation of tangible fixed assets	36,741	27,492
Operating lease rentals	<u>23,014</u>	<u>–</u>

13. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>3,600</u>	<u>7,800</u>

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

14. Staff costs *(continued)*

14. Staff costs

The average head count of employees during the year was 304 (2020: 200).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

15. Trustee remuneration and expenses

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

16. Intangible assets

	Software £
Cost	
Additions	63,375
At 31 August 2021	<u>63,375</u>
Amortisation	
Charge for the year	12,675
At 31 August 2021	<u>12,675</u>
Carrying amount	
At 31 August 2021	<u>50,700</u>
At 31 August 2020	<u>—</u>

17. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 September 2020	216,905	3,153	152,715	372,773
Additions	10,480	37,834	22,313	70,627
At 31 August 2021	<u>227,385</u>	<u>40,987</u>	<u>175,028</u>	<u>443,400</u>
Depreciation				
At 1 September 2020	156,687	1,757	113,308	271,752
Charge for the year	17,675	9,808	9,258	36,741
At 31 August 2021	<u>174,362</u>	<u>11,565</u>	<u>122,566</u>	<u>308,493</u>
Carrying amount				
At 31 August 2021	<u>53,023</u>	<u>29,422</u>	<u>52,462</u>	<u>134,907</u>
At 31 August 2020	<u>60,218</u>	<u>1,396</u>	<u>39,407</u>	<u>101,021</u>

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

18. Debtors

	2021 £	2020 £
Trade debtors	358,235	—
Amounts owed by connected companies	—	1,245,594
	<u>358,235</u>	<u>1,245,594</u>

19. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	10,000	2,500
Trade creditors	237,569	88,423
Accruals and deferred income	3,600	7,800
Obligations under finance leases and hire purchase contracts	3,815	—
Other creditors	206,246	402,375
	<u>461,230</u>	<u>501,098</u>

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

	2021 £	2020 £
Bank loans and overdrafts	37,500	47,500
Obligations under finance leases and hire purchase contracts	15,081	—
	<u>52,581</u>	<u>47,500</u>

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021 £	2020 £
Not later than 1 year	3,815	—
Later than 1 year and not later than 5 years	15,081	—
	<u>18,896</u>	<u>—</u>

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

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 £4,712 (2020: £Nil).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in income from donations and legacies:		
Government grants income	<u>83,456</u>	<u>273,310</u>

24. Analysis of charitable funds

Unrestricted funds

	At 1 September 2020 £	Income £	Expenditure £	Prior year adjustments £	At 31 August 2021 £
General funds	<u>809,069</u>	<u>4,178,294</u>	<u>(3,876,369)</u>	<u>(1,074,003)</u>	<u>36,991</u>

	At 1 September 2019 £	Income £	Expenditure £	Prior year adjustments £	At 31 August 2020 £
General funds	<u>671,555</u>	<u>3,754,747</u>	<u>(3,617,233)</u>	<u>—</u>	<u>809,069</u>

25. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	185,607	185,607
Current assets	365,195	365,195
Creditors less than 1 year	(461,230)	(461,230)
Creditors greater than 1 year	(52,581)	(52,581)
Net liabilities	<u>36,991</u>	<u>36,991</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	101,021	101,021
Current assets	1,256,646	1,256,646
Creditors less than 1 year	(501,098)	(501,098)
Creditors greater than 1 year	(47,500)	(47,500)
Net liabilities	<u>809,069</u>	<u>809,069</u>

Beis Chinuch Lebonos Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

26. Analysis of changes in net debt

	At 1 Sep 2020 £	Cash flows £	At 31 Aug 2021 £
Cash at bank and in hand	11,052	(4,092)	6,960
Debt due within one year	(2,500)	(11,315)	(13,815)
Debt due after one year	(47,500)	(5,081)	(52,581)
	<u>(38,948)</u>	<u>(20,488)</u>	<u>(59,436)</u>

27. Related parties

Beis Chinuch Lebonos Limited is connected to two charitable companies, Forty Limited and Kids N'Action as follows:

- 1) Mr R Spitzer, a trustee of Forty Limited, is the father of N Spitzer and husband of E Spitzer, who are both trustees of Beis Chinuch Lebonos Limited.
- 2) Mr A Schechter, the administrator of Beis Chinuch Lebonos Limited is also the administrator of both Forty Limited and Kids N'Action Limited.

During the year, Beis Chinuch Lebonos Limited paid Forty Ltd £950,000 (2020: 840,000) rent in respect of the school building. Additionally, Beis Chinuch Lebonos Ltd paid Forty Ltd £38,500 (2020: £227,000) in donations. Beis Chinuch Lebonos Ltd received £40,000 (2020: £35,650) from Forty Ltd. Beis Chinuch Lebonos Limited owes Forty £75,000 in loans. The loan is payable on demand and no interest is charged.

Beis Chinuch Lebonos Ltd Received £7,975 (2020: £35,650) rent from Kids N'Action Ltd in respect of use of some of the building.

There were no other related party transactions in the year.