

Charity registration number 1058260

Company registration number 03242641 (England and Wales)

**CHEVRAS TSEDOKOH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

# CHEVRAS TSEDOKOH LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Abraham Klein Mr Joshua Sternlicht Mrs Sarah Padwa Mr Michael Saberski
<b>Secretary</b>	Mr Joshua Sternlicht
<b>Charity number</b>	1058260
<b>Company number</b>	03242641
<b>Registered office</b>	New Burlington House 1075 Finchley Road London NW11 0PU
<b>Auditor</b>	Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU

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# CHEVRAS TSEDOKOH LIMITED

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# CHEVRAS TSEDOKOH LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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The trustees present their annual report and financial statements for the year ended 30 September 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the 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 was established for:-

- the advancement of religion in accordance with the Orthodox Jewish Faith;
- the relief of poverty; and
- for such other purposes as are recognised by English Law as charitable and in furtherance of the aforementioned objects.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

Chevrass Tsedokoh Limited regularly supports charitable organisations and institutions both in respect of revenue expenditure and capital projects and there has been a continual call for funding of capital projects together with a concomitant need for increased revenue support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2011.

Donations are made by way of grants to charitable institutions or organisations either directly or through the services of grant making charities.

### Achievements and performance

The charity derives its income from its investment property portfolio. During the year under review, its net property income after the deduction of mortgage interest amounted to £978,741 (2022: £898,329).

During the year under review £665,000 (2022: £805,000) was distributed to UK registered charities in furtherance of the charities objectives.

The charity does not engage in any public fund raising activities.

### Financial review

During the year, there was an increase in the charity's property income attributable to its functional property.

The legal title to the charity's investment properties are held by nominee companies in whose names the bank loans associated with the properties are taken. The rationale for utilising this structure is that, whilst the charity has granted legal charges over its beneficial interest in the relevant properties, it has not granted a debenture over its other assets and undertakings which are thus safeguarded in the unlikely event of a default.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

The charity has unrestricted funds of £13,467,955 (2022: £13,163,469) of which £0 (2022: £0) is distributable, as it represents the charity's investment property from which it derives its income.

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# CHEVRAS TSEDOKOH LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

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. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The charity holds or issues financial instruments to achieve three main objectives being:

- to finance its operations
- to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- to generate funds.

In addition various financial instruments (e.g. debtors, creditors, prepayments and accruals) arise directly from the charity's operations.

The charity plans to continue the activities referred to above in the coming year subject to incoming resources being available as envisaged.

### **Structure, governance and management**

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association dated the 28th August 1996. It has no share capital being limited by guarantee. The liability of each member in the event of a winding up is limited to £1.

The trustees, who 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 Abraham Klein  
Mr Joshua Sternlicht  
Mrs Sarah Padwa  
Mr Michael Saberski

As set out in the Articles of Association the members of the charity shall not exceed twenty five. There are two classes of members:

- Ordinary members - subscribers and all persons subsequently admitted by the Council to membership.
- Honorary members - persons the Council may admit from time to time with written consent.

No person shall be admitted to the membership of the company as an ordinary member unless:

- He has signed and sent to the Secretary an application for admission framed in such terms as the Council shall from time to time prescribe, and:
- He has been elected to the membership by the Council.

All current trustees are ordinary members and no honorary members have been appointed. The organisation is run by the directors who are the trustees. Every trustee holds office until he/she shall die or shall cease to hold office by virtue of Article 48 of the Articles of Association.

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

# CHEVRAS TSEDOKOH LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2023*

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Unless and until otherwise determined by the charity the board of trustees (Council) shall consist of not less than three or not more than ten trustees. The Council appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Council shall as soon as practicable fill the vacancy. Ten percent of the members present or three ordinary members present in person shall form a quorum at a general meeting.

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

### **Auditor**

In accordance with the company's articles, a resolution proposing that Cohen Arnold be reappointed as auditor of the company will be put at a General Meeting.

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 Joshua Sternlicht**

Trustee

Dated: 27 June 2024

# **CHEVRAS TSEDOKOH LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2023***

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The trustees, who are also the directors of Chevrass Tsedokoh 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping 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.

# CHEVRAS TSEDOKOH LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF CHEVRAS TSEDOKOH LIMITED

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#### Opinion

We have audited the financial statements of Chevras Tsedokoh Limited (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



# CHEVRAS TSEDOKOH LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF CHEVRAS TSEDOKOH LIMITED

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#### **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.

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the management and identified which were most significant with respect to the financial statements. We identified the Companies Act 2006 (including associated regulations), Charities Act 2011, Charities SORP (FRS102), Financial Reporting Standard 102, Taxation Laws and Regulations, The Landlord and Tenant Act and Health & Safety Regulations as being most significant to these financial statements. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the management the policies and procedures regarding compliance with the legal and regulatory framework.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance with legal and regulatory framework, including how fraud might occur, by enquiry with the checklists. The susceptibility to such material misstatement was determined to be low.

# **CHEVRAS TSEDOKOH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF CHEVRAS TSEDOKOH LIMITED**

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- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory framework, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HM Revenue & Customs, testing transactions outside the normal course of the business and journal entries, and discussions with the management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 company's 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 company'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. However, future events or conditions may cause the company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

# **CHEVRAS TSEDOKOH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF CHEVRAS TSEDOKOH LIMITED**

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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.

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

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Cohen Arnold**

27 June 2024

**Chartered Accountants  
Statutory Auditor**

New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# CHEVRAS TSEDOKOH LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Income from:</b>			
Investments	3	1,628,032	1,472,841
<b>Total income</b>		<u>1,628,032</u>	<u>1,472,841</u>
<b>Expenditure on:</b>			
Raising funds	4	648,445	574,501
Charitable activities	5	675,101	825,993
<b>Total expenditure</b>		<u>1,323,546</u>	<u>1,400,494</u>
Net gains/(losses) on investments	11	-	1,980,000
<b>Net income</b>		304,486	2,052,347
<b>Other recognised gains and losses:</b>			
Other gains/(losses)	13	(296,661)	1,044,017
<b>Net movement in funds</b>	8	7,825	3,096,364
<b>Reconciliation of funds:</b>			
Fund balances at 1 October 2022		14,207,486	11,111,122
<b>Fund balances at 30 September 2023</b>		<u>14,215,311</u>	<u>14,207,486</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# CHEVRAS TSEDOKOH LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	14	1,762,069		1,762,069	
Investment property	15	20,604,067		20,604,067	
		22,366,136		22,366,136	
<b>Current assets</b>					
Debtors	17	1,084,924		1,291,881	
Cash at bank and in hand		235,450		320,820	
		1,320,374		1,612,701	
<b>Creditors: amounts falling due within one year</b>	19	(621,199)		(621,351)	
<b>Net current assets</b>		699,175		991,350	
<b>Total assets less current liabilities</b>		23,065,311		23,357,486	
<b>Creditors: amounts falling due after more than one year</b>	20	(8,850,000)		(9,150,000)	
<b>Net assets</b>		14,215,311		14,207,486	
<b>The funds of the charity</b>					
Unrestricted funds		14,215,311		14,207,486	
		14,215,311		14,207,486	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2023, 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.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 27 June 2024

Mr Abraham Klein  
Trustee

Mr Joshua Sternlicht  
Trustee

Company registration number 03242641 (England and Wales)

# CHEVRAS TSEDOKOH LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24	(1,413,402)		(1,469,063)	
<b>Investing activities</b>					
Purchase of investment property		-		(8,288)	
Investment income received		1,628,032		1,472,841	
<b>Net cash generated from investing activities</b>		1,628,032		1,464,553	
<b>Financing activities</b>					
Repayment of bank loans		(300,000)		(225,000)	
<b>Net cash used in financing activities</b>		(300,000)		(225,000)	
<b>Net decrease in cash and cash equivalents</b>		(85,370)		(229,510)	
Cash and cash equivalents at beginning of year		320,820		550,330	
<b>Cash and cash equivalents at end of year</b>		235,450		320,820	

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

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### 1 Accounting policies

#### Charity information

Chevras Tsedokoh Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, 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.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, as the charity is not registered for VAT and is classified under headings of the financial activities to which it relates:

Expenditure on raising funds includes all costs associated with the holding of its property investment.

Expenditure on charitable activities includes all costs incurred by the charity in undertaking its grant making activities that further its charitable aims including support costs and the costs related to the governance of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0% - See note 9
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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 the statement of financial activities.

#### 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 profit or loss.

#### 1.8 Impairment of fixed assets

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

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 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.



# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

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

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.

### 1.11 Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income/(expenditure) for the year, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The resulting gain or loss is recognised in net income/(expenditure) immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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### 1 Accounting policies

(Continued)

#### *Hedge accounting*

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

#### 1.12 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Acquisitions and disposals of property

Acquisitions and disposals of property are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

### 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.

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 3 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	1,627,186	1,472,830
Interest receivable	846	11
	<u>1,628,032</u>	<u>1,472,841</u>

### 4 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Investment management	648,445	574,501
	<u>648,445</u>	<u>574,501</u>

### 5 Expenditure on charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
<b>Direct costs</b>		
Grant funding of activities (see note 6)	665,000	805,000
<b>Share of support and governance costs (see note 7)</b>		
Support	3,765	4,023
Governance	6,336	16,970
	<u>675,101</u>	<u>825,993</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>675,101</u>	<u>825,993</u>

### 6 Grants payable

	Charitable activities 2023 £	Charitable activities 2022 £
Grants to institutions:		
United Talmudical Associates Ltd	665,000	805,000
	<u>665,000</u>	<u>805,000</u>

All grants were made to UK registered charities in furtherance of the charity's objects.

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 7 Support costs allocated to activities

	2023 £	2022 £
Accountancy fees	3,200	3,200
Bank charges	10	11
Administrative expenses	555	812
Governance costs	6,336	16,970
	<u>10,101</u>	<u>20,993</u>
<b>Analysed between:</b>		
Charitable activities	<u>10,101</u>	<u>20,993</u>

### 8 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	4,320	3,720
- for tax advisory services	2,016	13,250
	<u>6,336</u>	<u>16,970</u>

### 9 Trustees

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

### 10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	<u>-</u>	<u>-</u>

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

### 11 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investment properties	<u>-</u>	<u>1,980,000</u>

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 12 Taxation

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

### 13 Other gains and losses

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) upon:		
Movement on hedging reserve	(296,661)	1,044,017

### 14 Tangible fixed assets

	Freehold land and buildings £
<b>Cost</b>	
At 1 October 2022	1,762,069
At 30 September 2023	1,762,069
<b>Carrying amount</b>	
At 30 September 2023	1,762,069
At 30 September 2022	1,762,069

Tangible fixed assets represent the charity's functional property which is stated at cost until such time as its fair value can be reliably measured on a going concern basis.

### 15 Investment property

	2023 £
<b>Fair value</b>	
At 1 October 2022 and 30 September 2023	20,604,067

Investment property comprises principally of commercial property with a small element of residential. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30th September, 2023 by the Company's directors who are considered to have the experience and expertise required to undertake such an exercise. The valuation was made on an open market value basis.

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 15 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	14,322,803	14,322,803
Accumulated depreciation	-	-
Carrying amount	14,322,803	14,322,803

	2023 £	2022 £
Freehold	-	14,308,754

### 16 Financial instruments

	2023 £	2022 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	747,356	1,044,017

#### Hedging arrangements

The company, through its nominee, Highgrade Properties Limited, has entered into an interest rate swap to hedge against fluctuations in the variable rate of interest for the duration of the bank loan to which it relates. The company has designated this derivative as a cash flow hedge with movements in fair value being reflected in other comprehensive income.

The fair value of the swap is calculated on a mark to market basis at the year-end date and included in a hedge reserve.

As at the 30th September 2023, the fair value of the swap had a positive value of £747,356 which is included in debtors.

### 17 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	171,888	42,890
Derivative financial instruments	747,356	1,044,017
Other debtors	147,783	190,516
Prepayments and accrued income	17,897	14,458
	1,084,924	1,291,881

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 18 Loans and overdrafts

	2023 £	2022 £
Bank loans	9,150,000	9,450,000
Payable within one year	300,000	300,000
Payable after one year	8,850,000	9,150,000

The long-term loans are secured by fixed charges over the charity's beneficial interest in its property portfolio. These bank loans represent a mortgage advance that is subject to an interest rate SWAP.

### 19 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	18	300,000	300,000
Trade creditors		198,573	199,768
Other creditors		122,626	121,583
		621,199	621,351

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

	Notes	2023 £	2022 £
Bank loans	18	8,850,000	9,150,000

### 21 Unrestricted funds

The unrestricted funds of the charity are analysed below:

	At 1 October 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 30 September 2023 £
General unrestricted funds	6,882,205	1,628,032	(1,323,546)	-	7,186,691
Revaluation reserve	6,281,264	-	-	-	6,281,264
Hedging reserve	1,044,017	-	-	(296,661)	747,356
	14,207,486	1,628,032	(1,323,546)	(296,661)	14,215,311

# CHEVRAS TSEDOKOH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 21 Unrestricted funds (Continued)

Previous year:	At 1 October 2021	Incoming resources	Resources expended	Gains and losses	At 30 September 2022
	£	£	£	£	£
General unrestricted funds	6,809,858	1,472,841	(1,400,494)	-	6,882,205
Revaluation reserve	4,301,264	-	-	1,980,000	6,281,264
Hedging reserve	-	-	-	1,044,017	1,044,017
	<u>11,111,122</u>	<u>1,472,841</u>	<u>(1,400,494)</u>	<u>3,024,017</u>	<u>14,207,486</u>

### 22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

### 23 Analysis of changes in net (debt)/funds

	At 1 October 2022	Cash flows	At 30 September 2023
	£	£	£
Cash at bank and in hand	320,820	(85,370)	235,450
Loans falling due within one year	(300,000)	-	(300,000)
Loans falling due after more than one year	(9,150,000)	300,000	(8,850,000)
	<u>(9,129,180)</u>	<u>214,630</u>	<u>(8,914,550)</u>

### 24 Cash generated from operations

	2023 £	2022 £
Surplus for the year	304,486	2,052,347
Adjustments for:		
Investment income recognised in statement of financial activities	(1,628,032)	(1,472,841)
Fair value gains and losses on investment properties	-	(1,980,000)
Movements in working capital:		
(Increase) in debtors	(89,704)	(174,530)
(Decrease)/increase in creditors	(152)	105,961
<b>Cash absorbed by operations</b>	<u>(1,413,402)</u>	<u>(1,469,063)</u>