

COMPANY REGISTRATION NUMBER: 03703278

CHARITY REGISTRATION NUMBER: 1077180

Kollel & Co Limited
Company Limited by Guarantee
Financial Statements
For the year ended
31 January 2021

COHEN ARNOLD
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

Kollel & Co Limited
Company Limited by Guarantee
Financial Statements
Year ended 31 January 2021

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Kollel & Co Limited
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 January 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 January 2021.

Reference and administrative details

| | |
|---|---|
| Registered charity name | Kollel & Co Limited |
| Charity registration number | 1077180 |
| Company registration number | 03703278 |
| Principal office and registered office | New Burlington House 1075 Finchley Road NW11 0PU London |
| The trustees | Mrs J Weiss Mrs R Kalish Mr S Low |
| Company secretary | Abraham Low |
| Auditor | Cohen Arnold Chartered accountants & statutory auditor New Burlington House 1075 Finchley Road London NW11 0PU |
| Bankers | Barclays Bank PLC 1 Churchill Place London United Kingdom E14 5HP |

Kollel & Co Limited
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2021

Structure, governance and management

The charity is a company limited by guarantee, governed by its Memorandum and Articles of Association, dated 28 January 1999, with amendments on 12 August 1999.

Its registered charity number is 1077180 and its company registration number is 03703278.

Appointment, Training and Recruitment of Trustees

As set out in the Articles of Association the liability of the members of the charity shall be limited to £1.

The trustees administer the day-to-day affairs of the charity. None of the trustees have any beneficial interest in the charity. All trustees give their time voluntarily and no benefit or expenses were paid to them in the year.

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

Objectives and activities

Objects

The objects of the charity are:

- The advancement of education and religion in accordance with the doctrines of the Jewish religion.
- The relief of poverty.

Aims, objectives and activities for public benefit

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

This charity was established to support the activities of Jewish religious organisations, especially in the field of education and to provide 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 objects of the charity. In doing so the charity has complied with its duty to act for public benefit in accordance with section 4 of the Charities Act 2006.

Strategic report

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

Kollel & Co Limited
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2021

Achievements and performance

During the year the charity continued to provide financial support to Jewish organisations engaging in education, advancement of religion in accordance with the Jewish faith and to give philanthropic aid to Jewish needy. The charity gave grants in the year totalling £1.7m (2020: £0.72m). The large increase in grant making during the year was from the income gained on the sale of its investment property in the prior year. The charity also spent approximately £9,000 on the production and distribution of Jewish religious literature to further education in accordance with the doctrines of the Jewish religion.

Financial review

The charity is dependent on income from its investments as well as voluntary donations. During the year investment income decreased to £191,761 (2020: £266,918). During the year the charity received £690,956 (2020: £519,894) in voluntary contributions which has assisted the Charity in achieving its charitable objectives. The charitable donations paid increased during the year from £0.7m to £1.7m.

Investment Powers and Performance

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

Plans for future periods

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory incoming resources.

Grant making policy

Grants are made to charitable institutions and organisations which conform to the objects of the charity after the trustees have satisfied themselves as to the bona fides of the recipients.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which the trustees think appropriate after considering the future commitments of the charity and the likely administrative costs of the charity for the next year. The trustees have assessed both the risks that the charity faced and the charity's ability to manage their financial impact. As at 31st January 2021 the charity had £4.59m (including £2.35m revaluation reserve) of reserves of which £39,812 can be classed as free reserves.

Kollel & Co Limited
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2021

Financial review *(continued)*

Risk Management

The trustees have identified and reviewed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity, and are satisfied that systems are in place to mitigate those risks.

Financial risk management and policies

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

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

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

Credit risk

The charity monitors credit risk closely and considers that its current policies of credit risk checks meets its objectives of managing exposure to credit risk.

The charity has no significant concentrations of credit risk. Amounts shown in the balance sheet 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.

Land and buildings

The charity's investment properties are stated at fair value and have been valued by the directors/trustees based upon the location of the properties and the returns thereon as at the balance sheet date. Properties are not depreciated.

Kollel & Co Limited
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2021

Financial review *(continued)*

Fixed Assets

The movements in fixed assets are fully reflected in the notes to the financial statements.

Going concern

The trustees have considered the impact of the Covid-19 pandemic on the income of the charity and the valuation of its assets. The current downturn in the UK economy may lead to a fall in voluntary income of the Charity resulting in the Charity limiting its grant making activities. The full financial effects of the pandemic on the valuation of assets cannot currently be quantified.

The outbreak of the Covid-19 during 2020 has presented the charity with some challenges regarding investment income which the trustees believe will continue for the foreseeable future. In addition, the uncertainty surrounding Brexit may also impact the UK economy and sources of income for the charity. These risks are beyond the control of the charity and represents uncertainty to the income of the charity. It has been noted that the investment income outstanding at the year end is higher than in prior years.

Notwithstanding the uncertainty, the financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the charity and available sources of finance. The Trustees recognise that they have the ability to exercise control over the charity's grant making charitable activities due to the absence of any legally binding obligations.

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.

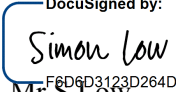
Kollel & Co Limited
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 January 2021

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 12 November 2021 and signed on behalf of the board of trustees by:

DocuSigned by:

F6D6D3123D264D7...
Mr S Low
Director

Kollel & Co Limited
Company Limited by Guarantee
Independent Auditor's Report to the Members of Kollel & Co Limited
Year ended 31 January 2021

Opinion

We have audited the financial statements of Kollel & Co Limited (the 'charity') for the year ended 31 January 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 January 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.

Kollel & Co Limited
Company Limited by Guarantee
Independent Auditor's Report to the Members of Kollel & Co Limited *(continued)*
Year ended 31 January 2021

Emphasis of matter

In forming our opinion of the financial statements, which is not modified, we would draw attention to the material uncertainty as reported in the Trustees' Report: Going concern. Uncertainties related to the effects of Brexit and Covid-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of investment property and related disclosures, and the appropriateness of the going concern basis of preparation of the financial statements. These depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit and Covid-19 are most significant economic events for the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit and Covid-19.

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.

Kollel & Co Limited
Company Limited by Guarantee
Independent Auditor's Report to the Members of Kollel & Co Limited *(continued)*
Year ended 31 January 2021

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.

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.

Kollel & Co Limited
Company Limited by Guarantee
Independent Auditor's Report to the Members of Kollel & Co Limited *(continued)*
Year ended 31 January 2021

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity through discussion with the trustees and identified financial reporting legislation, landlord legislation and charity legislation 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 trustees the policies and procedures regarding compliance with these legal and regulatory frameworks.
- We assessed the susceptibility of the charity's financial statements to material misstatement due to non-compliance with legal and regulatory frameworks, including how fraud might occur, by enquiry with the trustees during the planning and finalisation stages of our audit and by using proprietary disclosure checklists. The susceptibility to such material misstatement was determined to be low.
- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory frameworks, which were part of our procedures on the related financial statement items.

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 omissions, 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.

Kollel & Co Limited
Company Limited by Guarantee
Independent Auditor's Report to the Members of Kollel & Co Limited *(continued)*
Year ended 31 January 2021

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

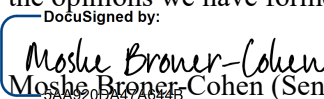
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

Kollel & Co Limited
Company Limited by Guarantee
Independent Auditor's Report to the Members of Kollel & Co Limited *(continued)*
Year ended 31 January 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.

DocuSigned by:

Moshe Broner-Cohen (Senior Statutory Auditor)

15/11/2021

Date

For and on behalf of
Cohen Arnold
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

Kollel & Co Limited
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 January 2021

| | | 2021 | 2020 |
|---|------|-----------------------|------------------|
| | | Unrestricted funds | Total funds |
| | Note | £ | £ |
| Income and endowments | | | |
| Donations and legacies | 5 | 670,956 | 519,894 |
| Investment income | 6 | 191,761 | 266,918 |
| Total income | | <u>862,717</u> | <u>786,812</u> |
| Expenditure | | | |
| Expenditure on raising funds: | | | |
| Investment management costs | 7 | (34,721) | (37,197) |
| Expenditure on charitable activities | 8,9 | (1,750,474) | (731,883) |
| Total expenditure | | <u>(1,785,195)</u> | <u>(769,080)</u> |
| Net (losses)/gains on investments | 12 | (9,500) | 28,158 |
| Net (expenditure)/income and net movement in funds | | <u>(931,978)</u> | <u>45,890</u> |
| Reconciliation of funds | | | |
| Total funds brought forward | | 5,521,847 | 5,475,957 |
| Total funds carried forward | | <u>4,589,869</u> | <u>5,521,847</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 16 to 26 form part of these financial statements.

Kollel & Co Limited
Company Limited by Guarantee
Statement of Financial Position
31 January 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible fixed assets | 17 | 57 | 76 |
| Investments | 18 | <u>4,550,000</u> | <u>4,550,000</u> |
| | | 4,550,057 | 4,550,076 |
| Current assets | | | |
| Debtors | 19 | 101,391 | 46,332 |
| Cash at bank and in hand | | <u>32,283</u> | <u>1,008,618</u> |
| | | 133,674 | 1,054,950 |
| Creditors: amounts falling due within one year | 20 | <u>(93,862)</u> | <u>(83,179)</u> |
| Net current assets | | 39,812 | 971,771 |
| Total assets less current liabilities | | <u>4,589,869</u> | <u>5,521,847</u> |
| Net assets | | <u>4,589,869</u> | <u>5,521,847</u> |
| Funds of the charity | | | |
| Unrestricted funds: | | | |
| Revaluation reserve | | 2,354,262 | 2,354,262 |
| Other unrestricted income funds | | <u>2,235,607</u> | <u>3,167,585</u> |
| Total unrestricted funds | | <u>4,589,869</u> | <u>5,521,847</u> |
| Total charity funds | 22 | <u>4,589,869</u> | <u>5,521,847</u> |

These financial statements were approved by the board of trustees and authorised for issue on 12 November 2021, and are signed on behalf of the board by:

DocuSigned by:

 F8D6D3123D264D7...
 Mr S Low
 Director

Kollel & Co Limited
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 January 2021

| | 2021 £ | 2020 £ |
|---|----------------------|-------------------------|
| Cash flows from operating activities | | |
| Net (expenditure)/income | (931,978) | 45,890 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 19 | 30 |
| Net (losses)/gains on investments | 9,500 | (28,158) |
| Dividends, interest and rents from investments | (191,100) | (266,897) |
| Other interest receivable and similar income | (661) | (21) |
| Interest payable and similar charges | 319 | 312 |
| Accrued income | (893) | (4,817) |
| <i>Changes in:</i> | | |
| Trade and other debtors | (71,837) | 2,774 |
| Trade and other creditors | 11,576 | 475 |
| Cash generated from operations | (1,175,055) | (250,412) |
| Interest paid | (319) | (312) |
| Interest received | 17,439 | 21 |
| Net cash used in operating activities | <u>(1,157,935)</u> | <u>(250,703)</u> |
| Cash flows from investing activities | | |
| Dividends, interest and rents from investments | 191,100 | 266,897 |
| Proceeds from sale of other investments | (9,500) | 948,158 |
| Net cash from investing activities | <u>181,600</u> | <u>1,215,055</u> |
| Net (decrease)/increase in cash and cash equivalents | (976,335) | 964,352 |
| Cash and cash equivalents at beginning of year | 1,008,618 | 44,266 |
| Cash and cash equivalents at end of year | <u>32,283</u> | <u>1,008,618</u> |

The notes on pages 16 to 26 form part of these financial statements.

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 January 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 New Burlington House, 1075 Finchley Road, NW11 0PU, London.

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

The outbreak of the Covid-19 during 2020 has presented the charity with some challenges regarding investment income which the trustees believe will continue for the foreseeable future. In addition, the uncertainty surrounding Brexit may also impact the UK economy and sources of income for the charity. These risks are beyond the control of the charity and represents uncertainty to the income of the charity.

Notwithstanding the uncertainty, the financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the charity and available sources of finance. The Trustees recognise that they have the ability to exercise control over the charity's grant making charitable activities due to the absence of any legally binding obligations.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

3. Accounting policies *(continued)*

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.

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.

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

3. Accounting policies *(continued)*

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.

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:

| | |
|-----------------------|------------------------|
| Fixtures and fittings | - 25% reducing balance |
| Equipment | - 25% reducing balance |

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

3. Accounting policies *(continued)*

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

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

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

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

Financial instruments

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

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

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

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

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

Defined contribution plans

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

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

4. Limited by guarantee

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. Donations and legacies

| | Unrestricted Funds £ | Total Funds 2021 £ | Unrestricted Funds £ | Total Funds 2020 £ |
|--------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Donations | | | | |
| Donations received | <u>670,956</u> | <u>670,956</u> | <u>519,894</u> | <u>519,894</u> |

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

6. Investment income

| | Unrestricted Funds | Total Funds 2021 | Unrestricted Funds | Total Funds 2020 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Income from investment properties | 191,100 | 191,100 | 266,897 | 266,897 |
| Other interest receivable | 661 | 661 | 21 | 21 |
| | <u>191,761</u> | <u>191,761</u> | <u>266,918</u> | <u>266,918</u> |

7. Investment management costs

| | Unrestricted Funds | Total Funds 2021 | Unrestricted Funds | Total Funds 2020 |
|----------------------------------|-----------------------|----------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Rent payable | 1,250 | 1,250 | 750 | 750 |
| Property repairs and maintenance | 5,360 | 5,360 | 2,730 | 2,730 |
| Legal and Professional fees | 1,332 | 1,332 | 13,377 | 13,377 |
| Insurance | 19,367 | 19,367 | 10,302 | 10,302 |
| Rates | 1,412 | 1,412 | 4,038 | 4,038 |
| Management fees | 6,000 | 6,000 | 6,000 | 6,000 |
| | <u>34,721</u> | <u>34,721</u> | <u>37,197</u> | <u>37,197</u> |

8. Expenditure on charitable activities by fund type

| | Unrestricted Funds | Total Funds 2021 | Unrestricted Funds | Total Funds 2020 |
|---------------------|-----------------------|-------------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Charitable Activity | 1,708,493 | 1,708,493 | 720,490 | 720,490 |
| Support costs | 41,981 | 41,981 | 11,393 | 11,393 |
| | <u>1,750,474</u> | <u>1,750,474</u> | <u>731,883</u> | <u>731,883</u> |

9. Expenditure on charitable activities by activity type

| | Activities undertaken directly | Grant funding of activities | Support costs | Total funds 2021 | Total fund 2020 |
|---------------------|--------------------------------------|--------------------------------|---------------|-------------------------|--------------------|
| | £ | £ | £ | £ | £ |
| Charitable Activity | 8,887 | 1,699,606 | 36,461 | 1,744,954 | 728,820 |
| Governance costs | — | — | 5,520 | 5,520 | 3,063 |
| | <u>8,887</u> | <u>1,699,606</u> | <u>41,981</u> | <u>1,750,474</u> | <u>731,883</u> |

Expenditure on activities undertaken directly refers to amounts spent on the production and distribution of Jewish religious literature for the purposes of the advancement of education in accordance with the doctrines of the Jewish religion.

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

10. Analysis of support costs

| | Analysis of support costs £ | Total 2021 £ | Total 2020 £ |
|------------------------------|-----------------------------------|----------------------|-----------------|
| Staff costs | 27,846 | 27,846 | – |
| Premises | 8,596 | 8,596 | 8,300 |
| Governance costs | 5,520 | 5,520 | 3,063 |
| Depreciation of Fixed Assets | 19 | 19 | 30 |
| | <u>41,981</u> | <u>41,981</u> | <u>11,393</u> |

11. Analysis of grants

| | 2021 £ | 2020 £ |
|--|-------------------------|----------------|
| Grants to institutions | | |
| Amud Hatzdokoh Trust | 75,260 | 6,840 |
| Beis Aharon Trust | 80,000 | 30,830 |
| Care All Limited | 101,000 | – |
| Chevrass Mo'oz Ladol | 54,805 | 39,510 |
| Congregation Yetev Lev Dsatmar Antwerp Limited | 71,990 | 81,261 |
| Edupor Limited | 108,000 | – |
| Ezer V'Hatzalah Limited | – | 83,050 |
| Friends of Beis Soroh Schneirer | 50,000 | – |
| Keren Chochmas Shlomo Trust | 65,000 | – |
| Keren Hatzolas Doros Alei Siach | 143,700 | 16,520 |
| Revach Vehazole Trust | 53,980 | 106,850 |
| Shir Chesed Beis Yisroel | 55,180 | – |
| Success Stories | 75,000 | – |
| Support the Charity Worker | 145,000 | – |
| The Rehabilitation Trust | 57,000 | – |
| Yeshos Shabbos | 73,500 | – |
| Other grants < £50,000 | 488,306 | 355,629 |
| | <u>1,697,721</u> | <u>720,490</u> |
| Grants to individuals | | |
| Grants to individuals | 1,885 | – |
| Total grants | <u>1,699,606</u> | <u>720,490</u> |

The grants made during the year were for the following purposes:

- The advancement of education and religion : £744,053
- The relief of poverty: £955,553

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

12. Net (losses)/gains on investments

| | Unrestricted Funds | Total Funds 2021 | Unrestricted Funds | Total Funds 2020 |
|---------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Gains/(losses) on investment property | <u>(9,500)</u> | <u>(9,500)</u> | <u>28,158</u> | <u>28,158</u> |

13. Net (expenditure)/income

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

| | 2021 £ | 2020 £ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | <u>19</u> | <u>30</u> |

14. Auditors remuneration

| | 2021 £ | 2020 £ |
|--|--------------|--------------|
| Fees payable for the audit of the financial statements | <u>5,000</u> | <u>2,550</u> |

15. Staff costs

The average head count of employees during the year was 1 (2020: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2021 No. | 2020 No. |
|------------|-------------|-------------|
| Management | <u>1</u> | <u>—</u> |

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

16. Trustee remuneration and expenses

The charity has one administrative staff and three trustees all of whom give freely of their time and expertise without any form of remuneration or other benefit in kind or cash (2020: £nil). The charity did not meet any expenses (2020: £nil) incurred by the trustees for services provided to the charity.

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

17. Tangible fixed assets

| | Fixtures and fittings £ | Equipment £ | Total £ |
|--|-------------------------------|----------------|------------|
| Cost | | | |
| At 1 February 2020 and 31 January 2021 | 441 | 346 | 787 |
| Depreciation | | | |
| At 1 February 2020 | 401 | 310 | 711 |
| Charge for the year | 10 | 9 | 19 |
| At 31 January 2021 | 411 | 319 | 730 |
| Carrying amount | | | |
| At 31 January 2021 | 30 | 27 | 57 |
| At 31 January 2020 | 40 | 36 | 76 |

18. Investments

| | Investment properties £ |
|--|-------------------------------|
| Cost or valuation | |
| At 1 February 2020 and 31 January 2021 | 4,550,000 |
| Impairment | |
| At 1 February 2020 and 31 January 2021 | |
| Carrying amount | |
| At 31 January 2021 | 4,550,000 |
| At 31 January 2020 | 4,550,000 |

All investments shown above are held at valuation.

Investment properties

All investment properties are stated at fair value. The properties have been valued by the trustees 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 by reference to market evidence available for similar properties in the same location taking into account the age and condition of the properties.

19. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|---------------|
| Trade debtors | 91,491 | 19,172 |
| Prepayments and accrued income | — | 16,778 |
| Other debtors | 9,900 | 10,382 |
| | <u>101,391</u> | <u>46,332</u> |

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

20. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 51,795 | 63,125 |
| Accruals and deferred income | 5,000 | 5,893 |
| Social security and other taxes | 13,135 | 5,417 |
| Other creditors | 23,932 | 8,744 |
| | <u>93,862</u> | <u>83,179</u> |

21. 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 £546 (2020: £Nil).

22. Analysis of charitable funds

Unrestricted funds

| | At 1 Feb 2020 | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 Jan 2021 |
|------------------------|------------------|----------------|--------------------|----------------|-----------------------|-------------------|
| General funds | 3,167,585 | 862,717 | (1,785,195) | – | (9,500) | 2,235,607 |
| Revaluation reserve | 2,354,262 | – | – | – | – | 2,354,262 |
| | <u>5,521,847</u> | <u>862,717</u> | <u>(1,785,195)</u> | <u>–</u> | <u>(9,500)</u> | <u>4,589,869</u> |

| | At 1 Feb 2019 | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | At 31 Jan 2020 |
|------------------------|------------------|----------------|------------------|----------------|-----------------------|-------------------|
| General funds | 3,114,045 | 786,812 | (769,080) | 7,650 | 28,158 | 3,167,585 |
| Revaluation reserve | 2,361,912 | – | – | (7,650) | – | 2,354,262 |
| | <u>5,475,957</u> | <u>786,812</u> | <u>(769,080)</u> | <u>–</u> | <u>28,158</u> | <u>5,521,847</u> |

Kollel & Co Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 January 2021

23. Analysis of net assets between funds

| | Unrestricted Funds £ | Total Funds 2021 £ |
|----------------------------|----------------------------|--------------------------|
| Tangible fixed assets | 57 | 57 |
| Investments | 4,550,000 | 4,550,000 |
| Current assets | 133,674 | 133,674 |
| Creditors less than 1 year | (93,862) | (93,862) |
| Net assets | <u>4,589,869</u> | <u>4,589,869</u> |

| | Unrestricted Funds £ | Total Funds 2020 £ |
|----------------------------|----------------------------|--------------------------|
| Tangible fixed assets | 76 | 76 |
| Investments | 4,550,000 | 4,550,000 |
| Current assets | 1,054,950 | 1,054,950 |
| Creditors less than 1 year | (83,179) | (83,179) |
| Net assets | <u>5,521,847</u> | <u>5,521,847</u> |

24. Analysis of changes in net debt

| | At 1 Feb 2020 £ | Cash flows £ | At 31 Jan 2021 £ |
|--------------------------|--------------------|------------------|------------------------|
| Cash at bank and in hand | <u>1,008,618</u> | <u>(976,335)</u> | <u>32,283</u> |

25. Related parties

£15,000 of the donation income was received from Companies whose directors are family members with the Trustees of this charity.

Of the £1,697,721 of grants made to institutions, £13,000 was donated to YTV London Limited, a charity which has Trustees who are family members of the Trustees in Kollel & Co Limited.

The £6,000 of management fees (2020: £6,000) paid for the management of the investment property of the charity was paid to a company whose director is a family member of the Trustees in this charity. A further £9,500 was paid to this company for arranging the sale of the property in the prior year.