

KABBALAH CENTRE

England & Wales · Charity number 1079796

Details

Other names	KABBALAH CENTRE
Status	Registered
Legal form	Charitable company
Company number	03659214
Registered	2000-03-10
Register	View on the Charity Commission register

Contact

Address	12 Stratford Place London W1C 1BB
Phone	02074994974
Email	london@kabbalah.com
Website	www.kabbalah.com

Activities

Objects: TO ADVANCE THE JEWISH RELIGION IN ACCORDANCE WITH THE PRINCIPLES OF KABBALAH FOR THE BENEFIT OF THE PUBLIC.

Activities: The Charity's aim is to make the ancient wisdom of the Kabbalah available to people of all backgrounds, regardless of denomination or means. It achieves this by Kabbalistic education and charitable programmes.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, Religious Activities, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Argentina
- Australia
- Austria
- Belgium
- Benin
- Cameroon
- Croatia
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Ghana
- Greece
- Hong Kong
- Hungary
- Israel
- Italy
- Ivory Coast
- Netherlands
- New Zealand
- Nigeria
- Norway
- Poland
- Portugal
- Russia
- South Africa
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,703,611	£4,761,904	£56,513,864	31
2023-12-31	£4,801,721	£4,899,673	£57,529,656	36
2022-12-31	£3,101,941	£4,498,885	£57,106,068	38
2021-12-31	£5,424,405	£3,753,943	£61,151,340	34
2020-12-31	£2,921,293	£4,219,770	£57,721,819	33

Trustees

Name	Role	Appointed
GLADYS OBADIAH		
LADY HOMA ALLIANCE		
Michael Berg		2017-08-04
RABBI YAROM YARDENI		
Yael Green		2020-08-27

Accounts

Charity registration number 1079796 (England and Wales)

Company registration number 03659214

KABBALAH CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

KABBALAH CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lady Homa Alliance Michael Berg Yael Green Rabbi Yarom Yardeni Gladys Obadiah
Secretary	Gladys Obadiah
Charity number (England and Wales)	1079796
Company number	03659214
Registered office	12 Stratford Place London W1C 1BB
Auditor	Glazers 843 Finchley Road London NW11 8NA

KABBALAH CENTRE

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KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

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).

As the Charity qualifies as small under Section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

The Charity's objective is to make the ancient spiritual wisdom of Kabbalah more readily available to people of all backgrounds and, in turn, to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

The Kabbalah Centre achieves the above by:

- Delivering a wide range of educational Kabbalah courses that are open to all regardless of religious, ethnic, or economic background. The educational resources include seminars, workshop experiences, online study material, virtual classrooms, and other spiritual events. The ongoing development and delivery of the educational programs are carried out by a dedicated and committed team of qualified Kabbalah teachers, who are also available to provide one-on-one support to students regularly.
- Promoting and organising a series of spiritual events aligned to the Kabbalah calendar throughout the year. The events are open to all and provide an opportunity for ongoing spiritual development and learning whilst also assisting the Centre to raise funds to continue its charitable mission.
- Working with the wider community to deliver a range of charitable programs. The Kabbalah Centre has created several community-focused programs that provide direct physical support and assistance to those living in less fortunate circumstances and conditions.

STRATEGIES FOR ACHIEVING OBJECTIVES

The key overall strategy for the Kabbalah Centre is to continually expand its reach into communities across Europe and Africa.

The key operational objective is to continually grow student registrations across the major cities in Europe and parts of Africa, through delivering high-quality spiritual education and instilling broader community practices that are relevant to the world in which we live today. The ultimate aim is to provide each Kabbalah student with both practical life skills and spiritual tools that will enable them to contribute to a better quality and standard of life for all humanity – the students, their families, and the wider community within which they live.

We continued to deliver a wide range of courses (both in person and online) and spiritual events in London and across Europe throughout the year.

PRINCIPAL ACTIVITIES FOR ACHIEVING OBJECTIVES

The key activities aligned with the strategic objectives in this financial year were:

- The delivery of Kabbalah courses, events, and spiritual services for new and existing students and the Kabbalah community members across Europe & Africa.
- Advancing the translation of the Zohar into French.
- Managing the ongoing building and design work at 12 Stratford Place.
- Finalising the interior designs, securing the necessary permissions for the building work at 29 Conway Street to start in early 2025.
- Finalising the design and architectural drawings for the International Retreat Centre to be built in Caesarea, Israel.
- The ongoing translation of Rav Ashlag's writing and the publication of an exclusive range of books from the digital writings.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees ensure that the activities of the Charity are consistent with its charitable objects and aims. In setting and agreeing the annual plans, the Trustees take the public benefit aims into account, as set out in the Charity Commission's general guidance on public benefit. The Trustees continue to believe that there is a clear public benefit derived from the activities of the Kabbalah Centre.

The Charity continued to provide both in-person and online educational courses, one-on-one spiritual support, and mentorship by a team of trained and experienced teaching staff throughout the current year. The main focus of the Kabbalah Centre's charitable purpose is to reach more students from all backgrounds who have an interest or desire to learn more about spirituality, and to guide and support them to understand and apply the ancient wisdom and Kabbalah practices and principles in their own lives.

The Kabbalah teaching staff has developed a range of spiritual courses for the public to access. The courses start from a foundation or beginner level (Kabbalah 1) and systematically move into the more spiritually advanced or deeper levels of spiritual understanding as the student progresses from Kabbalah 1 to Kabbalah 4. In addition to the courses outlined above, the offer includes more advanced courses beyond Kabbalah 4. The classes, seminars, and events offered by the Kabbalah Centre are available throughout the year to existing community members and the general public without any restriction. The study program is structured in a way that continuously strengthens the student's spiritual growth and consciousness. It provides them with the day-to-day tools and skills to assist and support them in achieving their personal life goals and, in turn, make a positive contribution (through volunteering and service) to their immediate families and the wider society and community.

The Charity granted 320 (2023:1,830) full scholarships during the year valued at £17,600 (2023: £81,760), funded by the Karen Berg Scholarship Fund. This fund was established to continue Karen Berg's vision of making the wisdom and tools of Kabbalah accessible to all students without any financial barrier.

We continued to market and grow the OneHouse Community Membership across Europe and Africa during the year. The Onehouse membership scheme is a key program for the Charity, as it provides students with the ability to instantly connect with a range of Kabbalistic tools and wisdom from wherever they may be located in the world at any time of day.

The student support department actively seeks to promote the membership program and support students in charting a personal plan of study tailored to their specific needs, interests, and personal schedules. The Teachers are available for one-on-one sessions with their students and are able to connect with them from anywhere in the world to advise, listen to, and support them on their spiritual path.

The Centre distributed 47,000 (2023: 40,532) Zohars across the UK, Europe (Croatia, Portugal, Denmark, Finland, France, Italy, Norway, Ukraine, Netherlands, Romania, Spain, Sweden and Turkey) and Africa (Ghana, Ivory Coast, South Africa, and Zimbabwe) during this financial year.

The printing and distribution cost of the Zohar is funded by donations to the Zohar Project, which is an ongoing and continuous Kabbalah project. The Zohar Project provides the foundation and serves as an integral component of the Centre's charitable activities. The Zohar is written in the ancient language of Aramaic and contains universal wisdom that predates religion, to inspire and unify millions of people of all nationalities, faiths, and backgrounds. *Rav Berg's vision was of a Zohar in every home across the globe to bring the light and power of the Zohar to all.* The Zohar promotes universal principles, emphasizing the profound importance of human dignity and respect, thereby fostering peace and unity amongst all people.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and Performance

KEY FINANCIAL PERFORMANCE INDICATORS

Consolidated income decreased from £4.8m in 2023 to £3.7m this year. The 2023 income included a significant one-off restricted donation of £1.1m received for the development of 12 Stratford Place, after adjusting for the one off restricted donation income for the year is consistent with the previous year.

Total operating expenditure decreased from £4.9m in 2023 to £4.8m this year.

The Charity ended the financial year with a consolidated operating loss of £1.1m (2023: £1.2m profit) as a result of the decrease in income and the fact that restricted income received and carried over from prior years was spent in this financial year.

The 2024 consolidated accumulated reserves decreased by £1m (2023: £424k increase) to £56.5m (2023: £57.5m) after adjusting for foreign exchange gains and losses.

Restricted reserves reduced to £2.1m (2023: £2.6m) in 2024 as the level of spending on the 12 Stratford Place development continued as the construction work picked up pace.

Income received from donations during the year represents 47% (2023: 66%) of the total income of £3.7m (2023:£4.8m). Unrestricted income declined by 6% this year, from £3m in 2023 to £2.9m in 2024. Restricted income also decreased by 52% from £1.8m in 2023 to £835k in 2024, by 23% from last year.

We are starting to see more consistent levels of unrestricted income each year as the Charity continues to focus on delivering against its annual operational targets in a more structured and controlled manner.

Expenditure on charitable activities remained in line with the previous year at £4.4m (2023: £4.3m). The charity managed to control operating expenses during the year on the back of the 5% inflation driven increase in the previous year.

Total expenditure (including fundraising expenses) of £4.8m (2023:£4.9m) for the year were also in line with the previous year.

The charities listed investments were liquated in full during the year and the funds placed in short term deposits with Barclays Investment Bank which earned £598k in interest during the year.

The remaining investments are managed by Axentia, the value of the portfolio has not changed during the year and we have continued to impair the value of the private equity investments within the portfolio. The Investment Committee continues to monitor the investments held in this portfolio and seek further independent professional advice.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2024*

REVIEW OF ACTIVITIES

We continue to measure the organisation's progress against the following key indicators:

- The net financial results for the year and the net contribution towards unrestricted funds.
- Managing the various capital expenditure projects within the approved budget and adhering to the building program.
- The percentage growth in student numbers in London and Europe compared to the worldwide growth across all geographic regions.
- The number of Kabbalah classes delivered during the year, attendance, and student participation in the wider activities offered by the charity.
- The increase in the number of people attending the spiritual connections and other events held at the Centre.
- Ensuring that we have adequate short-term and liquid reserves to fund the major capital expenditure projects.
- The number of volunteers working with the charity across Europe & Africa.
- The number of Zohars distributed and scholarships issued each year.

We continued to revert to the basic, tried, and tested operating model of engaging with and reaching out to the Kabbalah community and the wider public during 2024.

We continued to drive the implementation of the updated marketing strategy and to invest in new staff and the appropriate marketing channels in support of the Charity's ambition to reach a wider global audience.

The Zohar Project Activities for the year focused on manifesting the Charities spiritual vision in environments, communities, and countries that have or continue to experience human conflict and suffering.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Review

A summary of the financial performance for 2024 is set out in the statement of financial activities and the balance sheet.

The organisation's consolidated income for the year decreased from £4.8m in 2023 to £3.7m in 2024.

The Centre generates its income from the following sources:

- Donations – 50% (2023: 67%). We received total donations of £1.9m during the year which is a reduction of £1.3m in 2023. Unrestricted donations represented 55% of the total received in the year, unrestricted donations decreased by 29% or £415k whereas restricted donations declined by 50% or £917k. We received a one-off restricted donation of £1.1m towards the development of 12 Stratford Place in 2023.
- Educational classes, courses, consultation fees, and fundraising events – 21% (2023: 16%). The income of £772k (2023: £759k) generated from these activities during the year is in line with the previous year. We continued to increase the number of classes, chart readings, and in-person events and consultations during the year.
- Trading activities – 4% (2023: 3%). The sales of books and merchandise continued to be in line with previous years.
- Investments – 20% (2023: 9%). The listed investments were liquidated during the year and held in short term interest bearing accounts which generated interest income of £598k this year. This is in line with the organisations income diversification and risk strategy.

This year's results continue to highlight the unpredictability of, and over-reliance on, donor income. The Trustees continue to be aware of the historical performance and the need to diversify and generate more income from trading activities, the investment portfolio, and rental income from the investment properties. The current financial projections reflect that the ongoing development of 12 Stratford Place and the retreat Centre in Israel will make a significant and consistent contribution to the charity's income in future years upon completion of the projects.

Total expenditure increased by was in line with the previous year at £4.8m following on the 9% in 2023.

GOING CONCERN

The Trustees are confident that the Charity has adequate resources to continue its operational activities for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Total funds decreased from £ 58m in 2023 to £57m this year as a result of the operating loss during the year. The Trustees regularly reassess the operational strategy and seek options to diversify the income sources; considering the constant changes taking place in the external environment and in particular the impact of these changes on the long-term viability of the planned building works. The Trustees will continue to consult and draw on specialist advice as necessary throughout the construction of the building work.

The Trustees review the level of resources annually and continue to believe that the Charity is in a sound financial position with the appropriate level of unrestricted funds necessary to achieve the Charity's growth objectives and plans for the future.

MATERIAL INVESTMENTS POLICY

The Trustees continue to consult widely with a range of investment specialists to assess and understand the changing investment landscape. The investment policy is reviewed and updated as is considered necessary for the Charity given the prevailing circumstances at the time.

The Centre's investment portfolio is managed by a team of reputable and professional investment managers who report directly to the Investment Committee every quarter

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that adequate systems and procedures are in place to mitigate any exposure to the major risks identified. The Trustees and management assess the level of risk on an ongoing basis by looking at both the local UK Charity sector and global trends, the charity's financial performance, how global markets are responding to changing events, and other indicators within Kabbalah Centres across the globe.

The Trustees have identified the key risks which are (1) Cyber security (2) management of the investment portfolio, the related returns/losses in the current economic climate and (3) Managing the building projects within budget and the agreed building program.

Management is tasked with ensuring that the necessary measures are in place to ensure that all IT systems are protected and regular monitoring of the investments is carried out by the Investment Committee to ensure that long-term investment returns are achieved and sustained. The investment strategy is reviewed annually to ensure that it is realistic, relevant, and appropriate to achieve the required returns. Key organisational policies and procedures are reviewed annually to ensure that we reassess and continue to strengthen and enhance internal controls, reporting, and governance standards.

The professional project team appointed by the Trustees to manage the building projects continues to monitor and track progress closely with regular project meetings and site visits.

Reserves and reserves policy

The Charity's reserves policy is to maintain unrestricted reserves to cover twelve month's operating expenditure, plus the additional capital projects, as listed below.

- £4.4m in unrestricted reserves to cover twelve months' operating costs.
- £6m from the current reserves is to cover the cost of building the rear extension at 12 Stratford Place.
- £1m to cover the cost of refurbishing 29 Conway Street.
- £3m to fund the building of an international retreat Centre on the land in Israel.

The Centre held unrestricted reserves of £54.4m (2023: £54.9m) at the close of the financial year. The unrestricted reserves include land and buildings valued at £39m (2023: £37.5m), the remaining cash or liquid reserves of £15.4m (2023: £17.4m) are available to cover the targeted level of reserves, and funding of £14.4m for the activities and capital projects listed above.

The targeted level of unrestricted reserves as of 31 December 2024 is £14.4m. The small excess reserves are being held to cover any unforeseen (inflation, project delays, etc.) capital expenditure related to the listed projects and activities.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2024*

Plans for future periods

The Charity continues to review its operational plans on an annual basis, this entails a review of the past year's performance across the entire organisation and reassessing the growth opportunities and/or areas that require improvement and ways in which the charity can better utilise its assets and facilities across London and Europe, to achieve a more sustainable and impactful business model whilst delivering its mission and charitable objectives. The primary goal is to spread the wisdom of Kabbalah by increasing student enrolment numbers and expanding into more communities across the United Kingdom, Europe, and Africa in a sensible, organised, and financially sustainable manner.

It is envisaged that the desired growth will be achieved by:

- The ongoing review of the global communications and marketing strategy – assessing and testing different social media and marketing channels in different regions, expanding the marketing team in the UK and Europe, including the ongoing investment in new technology and software, and more regionally focused marketing.
- Expanding the distribution channels for the range of Kabbalah publications and merchandise across Europe and Africa.
- The ongoing training and development of the teaching staff, recruitment of marketing staff, and training mentors from the pool of volunteers who work with the Centre
- Completing the development of the vacant land (Bourne Mews) and the refurbishment of 12 Stratford Place.
- The commercialisation and effective internal use of the digital writings that the charity purchased in 2019.
- The translation of the Zohar into French and the ongoing fundraising and delivery of the Zohar project activities.
- Expanding the Spirituality for Kids program in conjunction with Kids Creating Peace (KCP), a charity registered in Israel.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Specific Plans for the Future

1. UK Building Works at 12 Stratford Place and 29 Conway Street.

The project to develop the vacant land and refurbish 12 Stratford Place is expected to be completed towards the end of 2026. The project expenditure in the current financial year decreased to £941,756 (2023:£1,582,330) as most of the costly foundation work to the new building was done last year.

The cumulative expenditure (since the project started) on the project at year-end was £5.1m (2023: £4.2m).

The goal for the year ahead is to finalise the interior designs and ensure that the 12 Stratford Place project is completed to the required standard, on time, and within budget. The plan is to finalise the business model for the building and secure tenants or partners that will be able to implement the business plan on completion of the building work.

We completed the architectural drawings, obtained the necessary building permissions, and appointed a contractor for the planned works at 29 Conway Street. The building work is expected to be completed by November 2025, and the goal is to ensure that we have tenants in place and ready to move in by December 2025.

1. Publishing Activities – Digital Writings

The Kabbalah Centre invested in the purchase of the sacred Kabbalistic writings by a renowned student of Kabbalah in 2019. The writings are considered to be the central textbooks for students of Kabbalah. We anticipated that these rare and historical writings would significantly enhance the Centre's unique content offering in future years. The writings are in digital format and comprise more than 10,000 pages of unpublished material.

The Publishing team will continue to work with the Kabbalah Centre to ensure that each edition is thoroughly researched and carefully crafted to provide the highest quality content that will generate an ongoing source of revenue for the charity.

1. Development of the Property Purchased in Israel

The Kabbalah Centre purchased two properties in Caesarea, Israel, through KCP (a subsidiary charity registered in Israel) in 2021 with the sole purpose of building an international retreat Centre on the vacant land.

The project team will now proceed to finalise the architectural drawings, obtain the necessary building permissions in Caesarea, and move ahead with the construction of the retreat Centre in the year ahead. The Centre will continue to lead the global fundraising activities for this project.

1. Zohar Project Activities

The Zohar Project provides the foundation and serves as an integral component of the Centre's charitable activities. The charity will continue to focus on the Zohar Project in the year ahead, with particular focus on (a) the distribution and volunteering activities in Ukraine and Poland (b) completing the translation of the Zohar into French and (c) streamlining the printing, storage, and distribution of the Zohars in Spain.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management GOVERNING DOCUMENT

Kabbalah Centre (the Charity) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 29 October 1998. It is also registered as a Charity (Charity number: 1079796) with the Charity Commission of England and Wales.

The principal object of the Charity is to advance the understanding of the ancient spiritual wisdom of the Kabbalah, to make the Kabbalah teachings more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

ORGANISATIONAL STRUCTURE

The Kabbalah Centre was founded by Rav Yehuda Ashlag in 1992 and now has locations in more than 40 cities across the globe.

Kabbalah Centre International (KCI) serves as the global Head Office or reporting Centre for Europe and South America. KCI provides ongoing strategic support to the UK Charity, the UK Charity in turn has created two operating divisions (KCL & KCE) to implement and manage the activities across the United Kingdom, Israel, and other countries in Europe and Africa. The divisional operations are consolidated for accounting and reporting purposes, reporting to the UK Board. The UK Board of Trustees consists of five members, two of which also serve on the KCI Board.

KCL (the division) focuses solely on the charitable activities within the United Kingdom, whereas KCE (the division) has oversight over the operations across Europe and Africa. KCE provides the necessary operational support and guidance to the registered entities and study groups in Poland, France, Italy, Spain, Portugal, Israel, South Africa, and the Republic of Côte d'Ivoire.

To meet local governance requirements, we have registered independent legal entities in Poland, France, Italy, Spain, South Africa, and the Republic of Côte d'Ivoire, each of the mentioned countries has a Board and a local management team that reports to the Trustees via the UK based management team. The UK charity also revived Kids Creating Peace (KCP) in 2022 which is a charity registered in Israel that was previously dormant, KCP is a wholly owned subsidiary of the UK charity.

The Trustees continue to recognise and monitor the potential conflict of interest issues that may arise as a result of the organisational structure outlined above. The Charity continues to reassess the situation and implement further measures to strengthen the governance procedures to meet the required standard.

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:

Lady Homa Alliance

Michael Berg

Yael Green

Rabbi Yarom Yardeni

Gladys Obadiah

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The Charity appoints new Trustees by first assessing the functional skills and expertise required for the development and governance of the Kabbalah Centre and thereafter selects Trustees on that basis. The nominated new Trustee is presented to the full Board for approval and acceptance before any appointment is made.

The appointment of Trustees is governed by the Memorandum and Articles of Association. Trustee nominations are solicited internally from other current and past Trustees within the Charity and its supporters and the Kabbalah community. The new Trustee is proposed, seconded, and voted in at a Board meeting.

Each new Trustee is taken through an induction programme. The programme includes briefings on their legal and ethical responsibilities as Trustees, the ethos and values of Kabbalah, and a historical overview of the organisation. The Trustees also receive the Charity Commission guidance documents and are required to read and sign the conflicts of interest and code of ethics documents.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees, which must have at least three members, provides the governance, oversight, and strategic leadership of the Charity. The Board meets every three months.

REMUNERATION POLICY

The Centre aims to set remuneration levels for each position within the scale set by comparable charities, whilst being mindful of the specific range of business skills, spiritual knowledge, and commitment required to run an organisation of this nature.

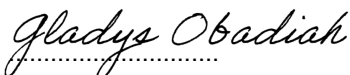
Auditor

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

Disclosure of information to auditor

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

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


.....
Gladys Obadiah

Trustee

Date: 23rd October 2025
.....

KABBALAH CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of Kabbalah Centre 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.

KABBALAH CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KABBALAH CENTRE

Opinion

We have audited the consolidated financial statements of Kabbalah Centre (the 'charitable group'), for the year ended 31 December 2024, which comprise the consolidated and parent charity statement of financial activities, the consolidated and parent charity summary income and expenditure account, the consolidated and parent charity balance sheet, the consolidated and parent charity 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 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 affairs of the charitable group and the parent charitable company as at 31 December 2024 and of the incoming resources and application of resources, including income and expenditure, of the charitable group 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 charitable group's or the parent charitable company'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, except to the extent otherwise explicitly stated in our report, 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.

KABBALAH CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KABBALAH CENTRE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company and of the group for the purposes of company law) are responsible for the preparation of the consolidated and parent charity 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent charity financial statements, the trustees are responsible for assessing the group's and the parent charitable company'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 group or 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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

KABBALAH CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KABBALAH CENTRE

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

1) Enquiries of management concerning the charity's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

2) The company's remuneration policies, and

3) Discussions among the engagement team regarding how and when fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and "Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)".

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or avoid a material penalty.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We note that our audit is not primarily designed to detect non-compliance with laws and regulations and the Trustees and other management are responsible for such internal control as the Trustees and other management of the Charity determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations. Additionally, 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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

KABBALAH CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KABBALAH CENTRE

Use of our report

This report is made solely to the members of the parent charitable company, 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 members of the parent charitable company 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 charitable group and the parent charitable company, and their members as a body, for our audit work, for this report, or for the opinions we have formed.



Benjamin Allen FCCA (Senior Statutory Auditor)
for and on behalf of Glazers

27.10.2025.....

Chartered Accountants
Statutory Auditor

843 Finchley Road
London
NW11 8NA

KABBALAH CENTRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Notes							
Income and endowments from:							
Donations and legacies	3	1,027,146	834,694	1,861,840	1,442,025	1,752,356	3,194,381
Charitable activities		772,442	-	772,442	758,733	-	758,733
Other trading activities		149,154	-	149,154	143,185	-	143,185
Investments	4	735,249	-	735,249	448,352	-	448,352
Other income		184,926	-	184,926	257,070	-	257,070
Total income		2,868,917	834,694	3,703,611	3,049,365	1,752,356	4,801,721
Expenditure on:							
Raising funds	5	341,725	-	341,725	547,605	-	547,605
Charitable activities	6	4,023,674	396,505	4,420,179	3,832,289	519,779	4,352,068
Total expenditure		4,365,399	396,505	4,761,904	4,379,894	519,779	4,899,673
Net gains/(losses) on investments	11	(13,869)	-	(13,869)	1,321,306	-	1,321,306
Net income/(expenditure)		(1,510,351)	438,189	(1,072,162)	(9,223)	1,232,577	1,223,354
Transfers between funds		941,756	(941,756)	-	1,582,330	(1,582,330)	-
Other recognised gains and losses:							
Revaluation of tangible fixed assets		55,000	-	55,000	130,000	-	130,000
Other gains/(losses)	12	1,370	-	1,370	(929,766)	-	(929,766)
Net movement in funds	8	(512,225)	(503,567)	(1,015,792)	773,341	(349,753)	423,588
Reconciliation of funds:							
Fund balances at 1 January 2024		54,924,926	2,604,730	57,529,656	54,151,585	2,954,483	57,106,068
Fund balances at 31 December 2024		54,412,701	2,101,163	56,513,864	54,924,926	2,604,730	57,529,656

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

KABBALAH CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<u>Income and endowments from:</u>					
Donations and legacies	3	939,098	834,694	1,773,792	2,918,243
Charitable activities		763,815	-	763,815	758,733
Other trading activities		149,154	-	149,154	143,185
Investments	4	735,249	-	735,249	448,352
Other income		124,226	-	124,226	231,868
Total income		2,711,542	834,694	3,546,236	4,500,381
<u>Expenditure on:</u>					
Raising funds	5	341,725	-	341,725	547,605
Charitable activities	6	3,822,609	396,505	4,219,114	4,026,141
Total resources expended		4,164,334	396,505	4,560,839	4,573,746
Net gains on investments	11	(13,869)	-	(13,869)	1,321,306
Net Income/ (Expenditure)		(1,466,661)	438,189	(1,028,472)	1,247,941
Gross transfers between funds		941,756	(941,756)	-	-
Net (outgoing)/incoming resources		(524,905)	(503,567)	(1,028,472)	1,247,941
Other recognised gains and losses	-	-	-	-	-
Revaluation of tangible fixed assets		55,000	-	55,000	130,000
Other gains or losses	12	(6,659)	-	(6,659)	(477,157)
Net movement in funds		(476,564)	(503,567)	(980,131)	900,784
Fund balances at 1 January 2024		55,402,122	2,604,730	58,006,852	57,106,068
Fund balances at 31 December 2024		54,925,558	2,101,163	57,026,721	58,006,852

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

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

KABBALAH CENTRE

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	13		1,115,901		1,357,696
Tangible assets	14		29,455,964		28,765,707
Investment property	15		9,687,325		9,561,366
Investments	16		1,012,132		15,424,272
			<u>41,271,322</u>		<u>55,109,041</u>
Current assets					
Stocks	17	69,856		51,370	
Debtors	18	492,354		460,064	
Cash at bank and in hand		15,063,716		2,462,634	
		<u>15,625,926</u>		<u>2,974,068</u>	
Creditors: amounts falling due within one year	19	(383,384)		(553,453)	
		<u></u>		<u></u>	
Net current assets			15,242,542		2,420,615
Total assets less current liabilities			<u>56,513,864</u>		<u>57,529,656</u>
Net assets excluding pension liability			56,513,864		57,529,656
			<u><u></u></u>		<u><u></u></u>
The funds of the charity					
Restricted income funds	22		2,101,163		2,604,730
Unrestricted funds			54,412,701		54,924,926
			<u>56,513,864</u>		<u>57,529,656</u>
			<u><u></u></u>		<u><u></u></u>

The financial statements were approved by the trustees on 23rd October 2025

Gladys Obadiah

Gladys Obadiah

Trustee

Company registration number 03659214 (England and Wales)

KABBALAH CENTRE

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024	2023
	Notes	£	£
Fixed assets			
Intangible assets	13	1,115,901	1,357,696
Tangible assets	14	26,318,132	25,737,443
Investment property	15	7,035,111	6,907,151
Investments	16	1,012,132	15,424,272
		<u>35,481,276</u>	<u>49,426,562</u>
Current assets			
Stocks	17	69,856	51,370
Debtors	18	6,877,527	6,621,365
Cash at bank and in hand		14,970,508	2,392,143
		<u>21,917,891</u>	<u>9,064,878</u>
Creditors: amounts falling due within one year	19	<u>(372,446)</u>	<u>(484,588)</u>
Net current assets		<u>21,545,445</u>	<u>8,580,290</u>
Total assets less current liabilities		<u>57,026,721</u>	<u>58,006,852</u>
Net assets excluding pension liability		<u>57,026,721</u>	<u>58,006,852</u>
		<u><u>57,026,721</u></u>	<u><u>58,006,852</u></u>
The funds of the charity			
Restricted income funds	22	2,101,163	2,604,730
Unrestricted funds		54,925,558	55,402,122
		<u>57,026,721</u>	<u>58,006,852</u>

The financial statements were approved by the trustees on 23rd October 2025

Gladys Obadiah

Gladys Obadiah

Trustee

Company registration number 03659214 (England and Wales)

KABBALAH CENTRE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(1,388,372)		(196,514)	
Investing activities					
Purchase of tangible fixed assets		(1,064,448)		(1,617,302)	
Purchase of investment property		(72,960)		(3,863)	
Proceeds from disposal of other investments		14,391,612		3,438,133	
Investment income received		735,249		322,808	
Net cash generated from investing activities		13,989,453		2,139,776	
Financing activities					
Repayment of bank loans		-		(3,471,369)	
Net cash used in financing activities		-		(3,471,369)	
Net increase/(decrease) in cash and cash equivalents		12,601,081		(1,528,107)	
Cash and cash equivalents at beginning of year		2,462,634		3,990,741	
Cash and cash equivalents at end of year		15,063,715		2,462,634	

KABBALAH CENTRE

CHARITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(1,522,940)		(294,862)
Investing activities					
Purchase of tangible fixed assets		(952,596)		(1,589,445)	
Purchase of investment property		(72,960)		(3,863)	
Proceeds from disposal of other investments		14,391,612		3,438,133	
Investment income received		735,249		322,808	
Net cash generated from investing activities			14,101,305		2,167,633
Financing activities					
Repayment of bank loans		-		(3,471,369)	
Net cash used in financing activities			-		(3,471,369)
Net increase/(decrease) in cash and cash equivalents			12,578,365		(1,598,598)
Cash and cash equivalents at beginning of year			2,392,143		3,990,741
Cash and cash equivalents at end of year			14,970,508		2,392,143

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Kabbalah Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Stratford Place, London, W1C 1BB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". 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.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's operations.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. All support costs have been allocated to charitable activities. Governance costs are re-allocated to each of the activities on the basis of direct expenditure as follows:

- | | |
|----------------------------|-----|
| • Raising voluntary income | 16% |
| • Charitable activities | 84% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets are capitalised where the purchase price exceeds £500.

Amortisation 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:

Digital Kabbalistic writings by scholar Rav Ashlag	10 year straight line
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KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.7 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. Items of equipment are capitalised where the purchase price exceeds £500.

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	50 year straight line
Fixtures and fittings	3 year straight line
Motor vehicles	3 year straight line
Other fixed assets	3 year straight line
Sefer Torah	indefinite useful life

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.

1.8 Investment property

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 statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.10 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market. The charity retains a small amount of inventory of books (Zohars) some of which are distributed for free as part of the Zohar project.

1.12 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.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.13 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

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.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

Charity

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	939,098	834,694	1,773,792	1,165,887	1,752,356	2,918,243

Group

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	1,027,146	834,694	1,861,840	1,442,025	1,752,356	3,194,381

4 Income from investments For the Charity and Group

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	128,742	160,829
Income from listed investments	8,600	60,471
Interest receivable	597,907	227,052
	735,249	448,352

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Expenditure on raising funds For the Charity and Group

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Governance costs	1,000	1,000
Investment manager fees	8,097	83,899
Investment property costs	25,952	28,640
Fundraising costs	306,676	434,066
	<u>341,725</u>	<u>547,605</u>

6 Expenditure on charitable activities

	Group Charitable activities 2024 £	Group Charitable activities 2023 £	Charity Charitable activities 2024 £	Charity Charitable activities 2023 £
Direct costs				
Depreciation and impairment	613,702	613,042	613,702	613,042
Staff costs	2,010,277	2,174,662	1,944,571	2,106,835
Other direct costs	1,325,891	1,469,084	1,190,532	1,210,984
Grants paid	408,557	28,587	408,557	28,587
Fundraising trading	28,651	34,360	28,651	34,360
	<u>4,387,078</u>	<u>4,319,735</u>	<u>4,186,013</u>	<u>3,993,808</u>
Share of support and governance costs (see note 7)				
Governance	33,101	32,333	33,101	32,333
	<u>4,420,179</u>	<u>4,352,068</u>	<u>4,219,114</u>	<u>4,026,141</u>
Analysis by fund				
Unrestricted funds	4,023,674	3,832,289	3,822,609	3,506,362
Restricted funds	396,505	519,779	396,505	519,779
	<u>4,420,179</u>	<u>4,352,068</u>	<u>4,219,114</u>	<u>4,026,141</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 Support costs allocated to activities For the Charity and Group

	2024 £	2023 £
Governance costs	34,101	33,333
Analysed between:		
Fundraising	1,000	1,000
Charitable activities	33,101	32,333
	34,101	33,333

8 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	34,101	33,333
Depreciation of owned tangible fixed assets	371,907	369,944
Amortisation of intangible assets	241,795	243,098

9 Taxation

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

10 Employees For the Charity and Group

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	31	36

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,000 - £70,000	3	2
£80,001 - £90,000	1	2
£100,001 - £110,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	1	1
£150,001 - £160,000	1	-
£180,001 - £190,000	-	1
£240,001 - £250,000	-	1

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Employees

(Continued)

Remuneration of key management personnel

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel during the year were £445,585 (2023: £561,087). We have identified the following employees as key management : Chana Grinfeld, David Grinfeld ,Avraham Nahmias & Marcus Weston due to the nature of their respective roles, decision making responsibility and seniority within the organisation as a whole. The teaching staff dedicate many years of study and spiritual practice to Kabbalah which generally extends to their entire family structure (wife & children), it is therefore common practice that a whole family unit may be involved and / or employed by the charity in some capacity from time to time.

Ruth Nahmias is related to Avraham Nahmias and she received remuneration of £43,884 (2023:£44,830) during the year. Nicole Weston is related to Marcus Weston and she also received remuneration of £60,844 (2023: 62,992) during the year.

The charity trustees were neither paid nor received any other benefits from employment with the charity during the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustee expenses represent the payment or reimbursement of travel and subsistence expenses incurred by the two overseas based Trustees totalling £16,461 (2023: £4,155 for 2 Trustees). The overseas travel is necessary to provide ongoing high level operational and spiritual support to the London and European centres. The visits allow for face to face meetings with the Kabbalah community and key donors across Europe and also include leading the important Kabbalistic spiritual events arranged by the charity.

11 Gains and losses on investments For the Charity and Group

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	(13,869)	1,321,306

12 Other gains and losses

	Group Unrestricted funds 2024 £	Group Unrestricted funds 2023 £	Charity Unrestricted funds 2024 £	Charity Unrestricted funds 2023 £
Gains/(losses) upon:				
Foreign exchange	1,370	(929,766)	(6,659)	(477,157)

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Intangible fixed assets For the Charity and Group

	Digital Kabbalistic writings by scholar Rav Ashlag £
Cost	
At 1 January 2024 and 31 December 2024	2,424,463
Amortisation and impairment	
At 1 January 2024	1,066,767
Amortisation charged for the year	241,795
At 31 December 2024	1,308,562
Carrying amount	
At 31 December 2024	1,115,901
At 31 December 2023	1,357,696

14 Tangible fixed assets

	Group Freehold land and buildings £	Group Other fixed assets £	Group Total £	Charity Freehold land and buildings £	Charity Other fixed assets £	Charity Total £
Cost						
At 1 January 2024	31,249,150	1,272,527	32,521,677	28,248,743	1,244,670	29,493,413
Additions	1,051,053	13,395	1,064,448	941,756	10,840	952,596
Exchange adjustments	(2,263)	(21)	(2,284)	-	-	-
At 31 December 2024	32,297,940	1,285,901	33,583,841	29,190,499	1,255,510	30,446,009
Depreciation and impairment						
At 1 January 2024	3,258,000	497,970	3,755,970	3,258,000	497,970	3,755,970
Depreciation charged in the year	362,000	9,907	371,907	362,000	9,907	371,907
At 31 December 2024	3,620,000	507,877	4,127,877	3,620,000	507,877	4,127,877
Carrying amount						
At 31 December 2024	28,677,940	778,024	29,455,964	25,570,499	747,633	26,318,132
At 31 December 2023	27,991,150	774,557	28,765,707	24,990,743	746,700	25,737,443

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Investment property	Group 2024 £	Charity 2024 £
Fair value		
At 1 January 2024	9,561,366	6,907,151
Additions through external acquisition	72,960	72,960
Net gains or losses through fair value adjustments	55,000	55,000
Foreign currency adjustments	(2,002)	-
At 31 December 2024	9,687,324	7,035,111

Investment property comprises Flat 46 Harley House and 29 Conway Street. The Harley House property was revalued during the financial year by an independent professional valuer. 29 Conway Street was last independently valued on 7th April 2020, the property was not revalued this year as the Trustees have embarked on a project to convert the property into three apartments. This has led to the Trustees retaining the prior valuation given the planned building work at 29 Conway Street.

In 2022 an additional property was purchased in Israel by Kids Creating Peace. This has been held at its previous valuation as the purchase had occurred within two years of the year end.

16 Fixed asset investments For the Charity and Group

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2024	14,265,744	2,051,339	16,317,083
Valuation changes	(70,221)	36,867	(33,354)
Interest & dividends	13,754	-	13,754
Management fees paid	(21,890)	-	(21,890)
Disposals	(14,187,387)	(159,820)	(14,347,207)
At 31 December 2024	-	1,928,386	1,928,386
Impairment			
At 1 January 2024	-	892,811	892,811
Valuation changes	-	23,443	23,443
At 31 December 2024	-	916,254	916,254
Carrying amount			
At 31 December 2024	-	1,012,132	1,012,132
At 31 December 2023	14,265,744	1,158,528	15,424,272

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Stocks

For the Charity and Group

	2024 £	2023 £
Finished goods and goods for resale	69,856	51,370

18 Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Amounts falling due within one year:				
Trade debtors	230,944	242,233	230,422	238,968
Amounts owed by fellow group undertakings	-	-	276,509	-
Other debtors	54,266	54,814	53,979	54,781
Prepayments and accrued income	207,144	163,017	207,144	163,017
	492,354	460,064	768,054	456,766
Amounts falling due after more than one year:				
Amounts owed by subsidiary undertakings	-	-	6,109,473	6,164,599
Total debtors	492,354	460,064	6,877,527	6,621,365

19 Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Other taxation and social security	131,491	205,890	130,770	193,356
Trade creditors	118,084	230,125	116,267	194,612
Amounts owed to fellow group undertakings	-	1,668	-	1,668
Other creditors	4,028	23,425	2,897	2,607
Accruals and deferred income	129,781	92,345	122,512	92,345
	383,384	553,453	372,446	484,588

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

20 Related party transactions

Kabbalah Centre International (KCI) manages the printing and publication of all Kabbalah books that are distributed globally through the Centre's in each country. The charity purchased books from KCI for resale to the value of £21,045 (2023:£8,666) during the year. The charity also purchased branded merchandise and products totalling £10,598 (2023:£1,165) and paid a sum of £nil (2023:£15,532) for services obtained during the year.

Kabbalah Centre International (KCI) manages certain software licenses on behalf of the group. The charity paid KCI the sum of £17,704 (2023:£37,490) in respect of software and other license fees during the year.

The Kabbalah Centre launched a global membership scheme and package in 2019 where community members who sign up and join the scheme have access to the services and facilities provided by the Centre across all the countries where there is a physical presence. The membership scheme is managed by Kabbalah Centre International (KCI) who in turn provide grant funding to the UK charity to cover the cost of providing the service to the members. The charity received quarterly grants totalling £164,329 (2023:£156,848) during the year.

The charity's primary purpose is to spread the wisdom and teachings of Kabbalah across the globe. The UK Centre works and collaborates with other established Centres and study groups to deliver this goal. In support of this work, the charity issued a grant of £25,964 to Kabbalah Centre, Berlin to cover operating expenses and also contributed £359,583 towards the global Tree of Life project during this financial year.

The charity also provided the following loans during the year.

- £25,009 to Kabbalah Centre, Berlin and
- £221,383 to Kids Creating Peace.

We have identified the following as related parties by virtue of the charity having common Trustees with Kabbalah Centre International, a US-registered non-profit: Michael Berg & Eliyahu Yardeni. The mentioned Trustees claimed travel expenses of £16,461 (2023: £4,155) during the year, all of which is business-related travel. The breakdown of the expenses by Trustee is Michael Berg £16,461 (2023: £4,155), Eliyahu Yardeni £0 (2023: £0).

The related party disclosure extends to the spouses and family members of the Trustees mentioned above. This includes Monica Berg & Yael Yardeni who provide Teaching and other specialist services (astrology reading, publishing books, etc.) related to the Kabbalistic spiritual philosophy and practices in conjunction with their partners from time to time. The above incurred travel-related expenses of £16,461 (2023: £4,155) during the year. The full amount disclosed was incurred by Monica Berg only.

The charity provides ongoing Teaching and marketing support to the other registered Kabbalah entities across Europe & Africa, who may have common Trustees. The cost of the services provided are recovered as an administration fee; during 2024 the charity received administration fees of £129,249 (2023:£198,394). The fees were received from the following Kabbalah Centres, France £10,412 (2023: £39,525), South Africa £12,617 (2023:£15,742), Ivory Coast £44,802 (2023:£43,225), Italy £39,749 (2023:£29,075), Germany £0 (2023: £57,953), Poland £11,613 (2023: Nil) and KCP Israel £10,056 (2023:£12,874)

The Trustees also have family members who are part of the Kabbalah community and participate in various activities on the same terms and basis as the general public. The aggregated voluntary donations and purchase of event tickets from the Trustees and family members during the year was £6,398 (2023: £1,168,727).

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

21 Financial commitments, guarantees and contingent liabilities

Tax on properties purchased in Israel

On 21 September 2025, the Israel Tax Authority issued a detailed decision rejecting objections filed in relation to purchase tax assessments concerning two properties in Caesarea. The Authority determined that the Kabbalah Centre, and not the Israeli association, is to be regarded as the purchaser.

Payment demands were issued totalling NIS 1,079,498 plus a NIS 14,310 late-filing penalty and NIS 630,000 plus a NIS 11,880 late-filing penalty. These amounts represent principal only and are expected to accrue linkage differentials and interest.

Management, advised by Israeli legal counsel, is considering an appeal within the statutory time limit. Legal counsel has not yet provided an assessment of the appeal prospects. Collection proceedings are expected to be suspended upon filing an appeal.

As at the date of approval of these financial statements, there is insufficient information to determine the probability of an outflow. Accordingly, no provision has been recognised. The possible financial effect, if the appeal were unsuccessful, is estimated at approximately NIS 1.7 million plus accrued indexation and interest.

22 Restricted funds

For the Charity and Group

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Rav Berg Zohar Project	558,776	325,938	(348,064)	-	536,650
Building Fund	1,869,087	316,143	-	(941,756)	1,243,474
The Karen Berg Scholarship Fund	86,088	57,101	(17,600)	-	125,589
Kabbalah Youth Program	33,823	-	-	-	33,823
General Publishing	5,311	-	-	-	5,311
Shabbat Fund	-	22,030	(22,030)	-	-
Rosh Hashana	-	373	(373)	-	-
Sefer Torah	50,934	104,671	-	-	155,605
Purim	-	2,611	(2,611)	-	-
Holiday Project	350	-	-	-	350
Bouhanna Project	-	5,827	(5,827)	-	-
A4L	361	-	-	-	361
	<u>2,604,730</u>	<u>834,694</u>	<u>(396,505)</u>	<u>(941,756)</u>	<u>2,101,163</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

22 Restricted funds

(Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Rav Berg Zohar Project	504,034	355,051	(300,309)	-	558,776
12 Stratford Place Building Extension	2,301,984	1,149,433	-	(1,582,330)	1,869,087
The Karen Berg Scholarship Fund	109,181	77,557	(100,650)	-	86,088
Tree of Life	12,688	9,755	(22,443)	-	-
Kabbalah Youth Program	21,285	12,538	-	-	33,823
General Publishing	5,311	-	-	-	5,311
Shabbat Fund	-	72,818	(72,818)	-	-
Sukkah	-	13,877	(13,877)	-	-
Sefer Torah	-	50,934	-	-	50,934
Purim	-	639	(639)	-	-
Holiday Project	-	4,500	(4,150)	-	350
Bouhanna Project	-	3,946	(3,946)	-	-
KCP	-	1,308	(1,308)	-	-
A4L	-	-	361	-	361
	<u>2,954,483</u>	<u>1,752,356</u>	<u>(519,779)</u>	<u>(1,582,330)</u>	<u>2,604,730</u>

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

Charity

	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
Revaluation reserve	12,739,482	-	-	-	55,000	12,794,482
General funds	42,662,640	2,711,542	(4,164,334)	941,756	(20,528)	42,131,076
	<u>55,402,122</u>	<u>2,711,542</u>	<u>(4,164,334)</u>	<u>941,756</u>	<u>34,472</u>	<u>54,925,558</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23 Unrestricted funds

(Continued)

Charity previous year	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Revaluation reserve	12,609,482	-	-	-	130,000	12,739,482
General funds	41,542,103	2,748,025	(4,053,967)	1,582,330	844,149	42,662,640
	<u>54,151,585</u>	<u>2,748,025</u>	<u>(4,053,967)</u>	<u>1,582,330</u>	<u>974,149</u>	<u>55,402,122</u>
Group						
	At 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2024
	£	£	£	£	£	£
Revaluation reserve	12,739,482	-	-	-	55,000	12,794,482
Foreign exchange reserve	274	-	-	-	(1,453)	(1,179)
General funds	42,185,170	2,868,917	(4,365,399)	941,756	(11,046)	41,619,398
	<u>54,924,926</u>	<u>2,868,917</u>	<u>(4,365,399)</u>	<u>941,756</u>	<u>42,501</u>	<u>54,412,701</u>
Group Previous year:						
	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Revaluation reserve	12,609,482	-	-	-	130,000	12,739,482
Foreign exchange reserve	-	-	-	-	274	274
General funds	41,542,103	3,049,365	(4,379,894)	1,582,330	391,266	42,185,170
	<u>54,151,585</u>	<u>3,049,365</u>	<u>(4,379,894)</u>	<u>1,582,330</u>	<u>521,540</u>	<u>54,924,926</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

24 Analysis of net assets between funds

Charity

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Intangible fixed assets	1,115,901	-	1,115,901
Tangible assets	26,318,132	-	26,318,132
Investment properties	7,035,111	-	7,035,111
Investments	1,012,132	-	1,012,132
Current assets/(liabilities)	19,444,282	2,101,163	21,545,445
	<u>54,925,558</u>	<u>2,101,163</u>	<u>57,026,721</u>

Charity

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Intangible fixed assets	1,357,696	-	1,357,696
Tangible assets	25,737,443	-	25,737,443
Investment properties	6,907,151	-	6,907,151
Investments	15,424,272	-	15,424,272
Current assets/(liabilities)	5,975,560	2,604,730	8,580,290
	<u>55,402,122</u>	<u>2,604,730</u>	<u>58,006,852</u>

Group

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Intangible fixed assets	1,115,901	-	1,115,901
Tangible assets	29,455,964	-	29,455,964
Investment properties	9,687,325	-	9,687,325
Investments	1,012,132	-	1,012,132
Current assets/(liabilities)	13,141,379	2,101,163	15,242,542
	<u>54,412,701</u>	<u>2,101,163</u>	<u>56,513,864</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

24 Analysis of net assets between funds

(Continued)

Group	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Intangible fixed assets	1,357,696	-	1,357,696
Tangible assets	28,765,707	-	28,765,707
Investment properties	9,561,366	-	9,561,366
Investments	15,424,272	-	15,424,272
Current assets/(liabilities)	(184,115)	2,604,730	2,420,615
	<u>54,924,926</u>	<u>2,604,730</u>	<u>57,529,656</u>

25 Cash generated from operations

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
(Deficit)/surplus for the year	(1,072,163)	1,223,354	(1,028,472)	1,247,941
Investment income recognised in statement of financial activities	(735,249)	(448,352)	(735,249)	(448,352)
Foreign exchange differences	12,314	57,367	-	-
Fair value gains and losses on investments	13,869	(1,321,306)	13,869	(1,321,306)
Depreciation and impairment of tangible fixed assets	613,702	613,042	613,702	613,042
Interest charge	-	42,274	-	42,274
(Increase) in stocks	(18,486)	10,825	(18,486)	10,825
(Increase) in debtors	(32,290)	(86,127)	(256,162)	(82,829)
(Decrease)/increase in creditors	(170,069)	(287,592)	(112,142)	(356,457)
Cash absorbed by operations	<u>(1,388,372)</u>	<u>(196,515)</u>	<u>(1,522,940)</u>	<u>294,862</u>

26 Analysis of changes in net funds For the Charity and Group

The charity and group had no material debt during the year.

Accounts

Charity registration number 1079796

Company registration number 03659214 (England and Wales)

KABBALAH CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

KABBALAH CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lady Homa Alliance Michael Berg Yael Green Rabbi Yarom Yardeni Gladys Obadiah
Secretary	Gladys Obadiah
Charity number	1079796
Company number	03659214
Registered office	12 Stratford Place London W1C 1BB
Auditor	Glazers 843 Finchley Road London NW11 8NA

KABBALAH CENTRE

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KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 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's objective is to make the ancient spiritual wisdom of Kabbalah more readily available to people of all backgrounds and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

The Kabbalah Centre achieves the above by:

- Delivering a wide range of educational Kabbalah courses that are open to all regardless of religious, ethnic, or economic background. The educational resources include seminars, workshop experiences, online study material, virtual classrooms, and other spiritual events. The ongoing development and delivery of the educational programs are carried out by a dedicated and committed team of qualified Kabbalah teachers, who are also available to provide one-on-one support to students regularly.
- Promoting and organising a series of spiritual events aligned to the Kabbalah calendar throughout the year. The events are open to all and provide an opportunity for ongoing spiritual development and learning whilst also assisting the Centre to raise funds to continue its charitable mission.
- Working with the wider community to deliver a range of charitable programs. The Kabbalah Centre has created several community-focused programs that provide direct physical support and assistance to those living in less fortunate circumstances and conditions.

Strategies for achieving objectives

The key overall strategy for the Kabbalah Centre is to continually expand its reach into communities across Europe and Africa.

The key operational objective is to continually grow student registrations across the major cities in Europe and parts of Africa, through delivering high-quality spiritual education and instilling broader community practices that are relevant to the world in which we live today. The ultimate aim is to provide each Kabbalah student with both practical life skills and spiritual tools that will enable them to contribute to a better quality and standard of life for all humanity – the students, their families, and the wider community within which they live.

We continued to deliver a wide range of courses (both in person and online) and spiritual events in London and across Europe throughout the year.

Principal activities for achieving objectives

The key activities aligned with the strategic objectives in this financial year were:

- The delivery of enhanced opportunities and services for students and the Kabbalah community members across Europe & Africa to meet in person with their Teachers and to participate in a wide range of outreach activities and spiritual events.
- To continue the work translating the Zohar into French.
- Finalising the interior designs, securing the necessary permissions allowing the Centre to move forward with the building work at 12 Stratford Place and 29 Conway Street.
- Identifying and appointing the professional team that will work on the design and drawings of the international retreat Centre to be built in Caesarea, Israel.
- Developing the Spirituality for Kids program in Israel and working within the local community to provide support through the ongoing conflict in Israel.
- Enhancing the internal processes and systems to accommodate the addition of the Centres in Italy and Spain.
- The ongoing research and preparation to publish a range of exclusive books from the Rav Ashlag digital writings.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Main activities undertaken to further the Charity's purposes for public benefit

The Trustees ensure that the activities of the Charity are consistent with its charitable objects and aims. In setting and agreeing the annual plans the Trustees take the public benefit aims into account, as set out in the Charity Commission's general guidance on public benefit. The Trustees continue to believe that there is a clear public benefit derived from the activities of the Kabbalah Centre.

The Charity continued to provide both in-person and online educational courses, one-on-one spiritual support, and mentorship by a team of trained and experienced teaching staff throughout 2023. The focus of the Kabbalah Centre's charitable purpose is to reach more students from all backgrounds who have an interest or desire to learn more about spirituality; and how to understand and apply the ancient wisdom and Kabbalah practices and principles in their own lives.

The Kabbalah teaching staff has developed a range of spiritual courses for the public to access. The courses start from a foundation or beginner level (Kabbalah 1) and systematically move into the more spiritually advanced or deeper levels of spiritual understanding as the student progresses from Kabbalah 1 to Kabbalah 4. In addition to the courses outlined above the offer includes more advanced courses beyond Kabbalah 4. The classes, seminars, and events offered by the Kabbalah Centre are available throughout the year to existing community members and the general public without any restriction. The study program is structured in a way that continuously strengthens the student's spiritual growth and consciousness. It provides them with the day-to-day tools and skills to assist and support them in achieving their personal life goals and in turn make a positive contribution (through volunteering and service) to their immediate families and the wider society and community.

The demand for scholarships and subsidised course fees increased once again in 2023. The Centre granted 1,830 (2022:1,251) full scholarships during the year valued at £81,760 (2022: £55,890), funded by the Karen Berg Scholarship Fund. This fund was established to continue Karen Berg's vision of making the wisdom and tools of Kabbalah accessible to all students without any financial barrier.

We continued to market and grow the Onehouse Community Membership across Europe and South Africa during the year. The Onehouse membership scheme is a key program for the Charity, as it provides students with the ability to instantly connect with a range of Kabbalistic tools and wisdom from anywhere in the world at any time. The student support department actively seeks to promote the membership program and support students in charting a personal plan of study tailored to their specific needs, interests, and personal schedules. The Teachers are available for one-on-one sessions with their students and able to connect with them from anywhere in the world to advise, listen to, and support them on their spiritual path.

The Centre distributed 40,532 (2022: 17,808) Zohars across the UK, Europe, and Africa in 2023, the bulk of these were distributed in the Ukraine and Poland as part of the charities activities planned in those countries.

The printing and distribution cost of the Zohar is funded by donations to the Zohar Project, this is an ongoing and continuous Kabbalah project. The Zohar Project provides the foundation and serves as an integral component of the Centre's charitable activities. The Zohar is written in the ancient language of Aramaic and contains universal wisdom that predates religion, to inspire and unify millions of people of all nationalities, faiths, and backgrounds. *Rav Berg's vision was of a Zohar in every home across the globe to bring the light and power of the Zohar to all.* The Zohar promotes universal principles, emphasizing the profound importance of human dignity and respect, thereby fostering peace and unity amongst all people.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

Key performance indicators

The consolidated income increased from £3.1m in 2022 to £4.8m this year as a result of a major one-off restricted donation received for the development of 12 Stratford Place. As a result of the increased income and timing of the expenditure on major projects the Charity ended the financial year with a consolidated operating profit of £1.2m (2022: £3.8m loss).

The charities consolidated accumulated reserves increased by £424k (2022: £4.0m decrease) to £57.5m (2022: £57.1m) after adjusting for foreign exchange gains and losses. Restricted reserves of £2.6m represent 5% of the total reserves and continue to decrease each year as the level of spending on the 12 Stratford Place developments increases.

Income received from donations during the year represents 47% of the total unrestricted income of £3.0m (2022: £2.5m) and increased by 23% from last year. The increase in donation income from last year is largely a result of the ongoing internal reorganisation of the Charity's operations in Europe and Africa which started in 2022.

We are gradually starting to see more consistent levels of income each year as the Charity continues to focus on delivering against its annual operational targets in a more structured and controlled manner.

Expenditure on charitable activities increased by 5% to £4.4m (2022: £4.1m) during the year which is primarily driven by inflation as operating expenses increased.

Total expenditure (including fundraising expenses) for the year increased to £4.9m from £4.5m in 2022 due to inflation and increased expenditure on fundraising activities.

The organisation's fixed asset investments were valued at £15.4m (2022: £17.9m) at the close of the financial year. A further £3.4m (2022: £6.2m) was withdrawn from the investment portfolio during the year and applied to settle the security-backed loan facility with Barclays Bank. The investment portfolio delivered a gain of £1.2m as reflected in note 16 of the accounts.

£14.3m (2022: £16.3m) of the total investments of £15.4m are managed by Barclays UK and invested in listed/liquid assets. The investment portfolio managed by Barclays delivered a profit of 10.4% (2022: 9.75% loss) over the year.

The balance of the investment portfolio is managed by Axentia, the value of the portfolio has not changed during the year and we have continued to impair the value of the private equity investments within the portfolio. The Investment Committee continues to monitor the investments held in this portfolio and seek further independent professional advice.

Review of activities

We continue to measure the organisation's progress against the following key indicators:

- The net financial results for the year and the net contribution towards unrestricted funds.
- Managing the various capital expenditure projects within the approved budget and adhering to the building program.
- The percentage growth in student numbers in London and Europe compared to worldwide growth across all locations.
- The number of Kabbalah classes delivered during the year, attendance, and student participation in the wider activities offered by the charity.
- The increase in the number of people attending the spiritual connections and other events held at the Centre.
- Ensuring that we have adequate short-term and liquid reserves to fund the major capital expenditure projects.
- The number of volunteers working with the charity across Europe & Africa.
- The number of Zohar's distributed and scholarships issued each year.

2023 was a year of consolidation following the disruption brought about by the COVID-19 pandemic in the previous year. We continued to revert to the basic, tried, and tested operating model of engaging with and reaching out to the Kabbalah community and the wider public.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

We continued to drive the implementation of the updated marketing strategy and to invest in new staff and the appropriate marketing channels in support of the Charity's ambition to reach a wider global audience.

The Zohar Project Activities for the year focused on manifesting the Charities spiritual vision in environments, communities, and countries that have or continue to experience human conflict and suffering. We distributed 30,650 Zohar's in hospitals, and churches in Ukraine and Poland during the year and continue to engage with government offices and embassies across Europe.

Investment policy and performance

The Charity has adopted a total return policy for the investment portfolio. The Centre's investment funds are placed with and managed by two experienced and qualified Fund Managers in Barclays Wealth Management and Axentia. The Investment Committee determines the organisation's risk profile and the high-level investment strategy to provide overall guidance to the appointed Fund Managers. The Investment Committee meets every quarter to review the performance of the investment portfolio and to reassess the risks as more economic data becomes available and global markets respond.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

A summary of the financial performance for 2023 is set out in the statement of financial activities and the balance sheet on pages 13 to 16.

The organisation's consolidated income for the year increased from £3.1m in 2022 to £4.8m in 2023.

The Centre generates its income from the following sources:

- Donations – 67% (2022: 58%). The increase in this financial year is a result of a one-off restricted donation of £1.1m made towards the development of 12 Stratford Place. Restricted income increased from £630k in 2022 to £1.8m this year as fundraising for the major building projects became a priority. Unrestricted income also increased by 23% from £2.5m to £3.0m as we were able to revert to the proven business model.
- Class, consultation fees, and fundraising events – 16% (2022: 27%), despite the lower percentage contribution to total income, the income from charitable activities did increase by 32% from £575k in 2022 to £759k. We continued to increase the number of classes, chart readings, and in-person events and consultations during the year.
- Trading activities – 3% (2022: 3%). The sales of books and merchandise were in line with previous years.
- Investments – 9% (2022: 12%).

This year's results continue to highlight the unpredictability of, and over-reliance on, donor income. The Trustees continue to be aware of the historical performance and the need to diversify and generate more income from trading activities, the investment portfolio, and rental income from the investment properties. The current financial projections reflect that the ongoing development of 12 Stratford Place and the retreat Centre in Israel will make a significant and consistent contribution to the charity's income in future years upon completion of the projects.

Total expenditure increased by 9% (2022: 20% increase) in 2023, from £4.5m in 2022 to £4.9m in 2023. The charities operating costs increased during the year as inflation was at its peak and suppliers started to pass on their price increases, particularly with the Teacher's accommodation in London.

Going concern

The Trustees are confident that the Charity has adequate resources to continue its operational activities for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Total funds increased from £57.1m in 2022 to £57.5m in 2023 as a result of the operating profit generated during the year. The Trustees regularly reassess the operational strategy and seek options to diversify the source of income; considering the constant changes taking place in the external environment and in particular the impact of these changes on the long-term viability of the planned building works. The Trustees will continue to consult and draw on specialist advice as necessary throughout the construction of the building.

The Trustees review the level of resources annually and continue to believe that the Charity is in a sound financial position with the appropriate level of unrestricted funds necessary to achieve the Charity's growth objectives and plans for the future.

Material investments policy

The Trustees continue to consult widely with a range of investment specialists to assess and understand the changing investment landscape. The investment policy is reviewed and updated as is considered necessary for the Charity given the prevailing circumstances at the time.

The Centre's investment portfolio is managed by a team of reputable and professional investment managers who report directly to the Investment Committee every quarter.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves policy

The Charity's reserves policy is to maintain unrestricted reserves to cover twelve month's operating expenditure, plus the additional capital projects, as listed below.

- £4.4m in unrestricted reserves to cover twelve months' operating costs.
- £8.1m from the current reserves is to cover the cost of building the rear extension at 12 Stratford Place.
- £1.1m to cover the cost of refurbishing 29 Conway Street.
- £3.5m to fund the building of an international retreat Centre on the land in Israel.

The Centre held unrestricted reserves of £54.9m (2022: £54.1m) at the close of the financial year. The unrestricted reserves include land and buildings valued at £37.5m (2022: £36.6m), the remaining cash or liquid reserves of £17.4m (2022: £17.5m) are available to cover the targeted level of reserves, and funding of £17.1m for the activities and capital projects listed above.

The targeted level of unrestricted reserves as of 31 December 2023 is £17.1m. The small excess reserves are being held to cover any unforeseen (inflation, project delays, etc.) capital expenditure related to the listed projects.

Plans for future periods

The Charity continues to review its operational plans on an annual basis, this entails a review of the past year's performance across the entire organisation and reassessing the growth opportunities and/or areas that require improvement and ways in which the charity can better utilise its assets and facilities across London and Europe, to achieve a more sustainable and impactful business model whilst delivering its mission and charitable objectives. The primary goal is to spread the wisdom of Kabbalah by increasing student enrolment numbers and expanding into more communities across Europe and Africa in a sensible, organised, and financially sustainable manner.

It is envisaged that the desired growth will be achieved by:

- The ongoing review of the global communications and marketing strategy – assessing and testing different social media and marketing channels in different regions, expanding the marketing team in the UK and Europe including the ongoing investment in new technology and software and more regionally focused marketing.
- Expanding the distribution channels for the range of Kabbalah publications and merchandise across Europe and Africa.
- The ongoing training and development of the teaching staff, recruitment of marketing staff, and training mentors from the pool of volunteers that work with the Centre
- Completing the development of the vacant land (Bourne Mews) and refurbishment of 12 Stratford Place.
- The commercialisation and effective internal use of the digital writings purchased in 2019.
- The translation of the Zohar into French and the ongoing fundraising and delivery of the Zohar project activities.
- Reviving the Spirituality for Kids program in conjunction with Kids Creating Peace (KCP) a charity registered in Israel.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1. UK Building Works at 12 Stratford Place and 29 Conway Street.

The project to develop the vacant land and refurbish 12 Stratford Place is due to be completed in early 2025. The project expenditure in the current financial year increased to £1,582,330 (2022: £1,056,551).

The cumulative expenditure (since the project started) on the project at year-end was £4.2m (2022: £2.6m).

The goal for the year ahead is to finalise the interior designs and ensure that the 12 Stratford Place project is completed to the required standard, on time, and within budget. The plan is to finalise the business model for the building post-completion in 2024.

We received the necessary permission to proceed with converting 29 Conway Street into four apartments during this financial year. The plan for 2024 is to complete the architectural drawings and to start the building work in Q4 of 2024 for completion in Q1 of 2025.

2. Publishing Activities

The Kabbalah Centre invested in the purchase of the sacred Kabbalistic writings by a renowned student of Kabbalah in 2019. The writings are considered to be the central textbooks for students of Kabbalah. We anticipated that these rare and historical writings would significantly enhance the Centre's unique content offering in future years. The writings are in digital format and comprise more than 10,000 pages of unpublished material.

The Publishing team will continue to work with the Kabbalah Centre to ensure that each edition is thoroughly researched and carefully crafted to provide the highest quality content that will generate an ongoing source of income for the charity.

3. Development of Property Purchased in Israel

The Kabbalah Centre purchased two properties in Caesarea, Israel through KCP (a subsidiary charity registered in Israel) in 2021 with the sole purpose of building an international retreat Centre on the vacant land.

The project team will now proceed to appoint the professional team who will be tasked with working on the design and architectural drawings and the required planning permissions in Israel. The Centre will continue to lead the global fundraising activities for this project over the next year.

4. Zohar Project Activities

The Zohar Project provides the foundation and serves as an integral component of the Centre's charitable activities. The charity will continue to focus on the Zohar Project in the year ahead with particular focus on (a) the distribution and volunteering activities in Ukraine and Poland (b) completing the translation of the Zohar into French and (c) streamlining the printing, storage, and distribution of the Zohars in Spain.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

Governing Document

Kabbalah Centre (the Charity) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 29 October 1998. It is also registered as a Charity (Charity number: 1079796) with the Charity Commission of England and Wales.

The principal object of the Charity is to advance the understanding of the ancient spiritual wisdom of the Kabbalah, to make the Kabbalah teachings more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

Organisational Structure

The Kabbalah Centre was founded by Rav Yehuda Ashlag in 1992 and now has locations in more than 40 cities across the globe.

Kabbalah Centre International (KCI) serves as the global Head Office or reporting Centre for Europe and South America. KCI provides ongoing strategic support to the UK Charity, the UK Charity in turn has created two operating divisions (KCL & KCE) to implement and manage the activities across the United Kingdom, Israel, and other countries in Europe and Africa. The divisional operations are consolidated for accounting and reporting purposes, reporting to the UK Board. The UK Board of Trustees consists of five members, two of which also serve on the KCI Board.

KCL (the division) focuses solely on the charitable activities within the United Kingdom, whereas KCE (the division) has oversight over the operations across Europe and Africa. KCE provides the necessary operational support and guidance to the registered entities and study groups in Poland, France, Italy, Spain, Portugal, Israel, South Africa, and the Republic of Côte d'Ivoire.

To meet local governance requirements, we have registered independent legal entities in Poland, France, Italy, Spain, South Africa, and the Republic of Côte d'Ivoire, each of the mentioned countries has a Board and a local management team that reports to the Trustees via the UK based management team. The UK charity also revived Kids Creating Peace (KCP) in 2022 which is a charity registered in Israel that was previously dormant, KCP is a wholly owned subsidiary of the UK charity.

The Trustees continue to recognise and monitor the potential conflict of interest issues that may arise as a result of the organisational structure outlined above. The Charity continues to reassess the situation and implement further measures to strengthen the governance procedures to meet the required standard.

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:

Lady Homa Alliance

Michael Berg

Yael Green

Rabbi Yarom Yardeni

Gladys Obadiah

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Method of appointment or election of trustees

The Charity appoints new Trustees by first assessing the functional skills and expertise required for the development and governance of the Kabbalah Centre and thereafter selects Trustees on that basis. The nominated new Trustee is presented to the full Board for approval and acceptance before any appointment is made.

The appointment of Trustees is governed by the Memorandum and Articles of Association. Trustee nominations are solicited internally from other current and past Trustees within the Charity and its supporters and the Kabbalah community. The new Trustee is proposed, seconded, and voted in at a Board meeting.

Each new Trustee is taken through an induction programme. The programme includes briefings on their legal and ethical responsibilities as Trustees, the ethos and values of Kabbalah, and a historical overview of the organisation. The Trustees also receive the Charity Commission guidance documents and are required to read and sign the conflicts of interest and code of ethics documents.

Organisational structure and decision making

The Board of Trustees, which must have at least three members, provides the governance, oversight, and strategic leadership of the Charity. The Board meets every three months.

Remuneration policy

The Centre aims to set remuneration levels for each position within the scale set by comparable charities, whilst being mindful of the specific range of business skills, spiritual knowledge, and commitment required to run an organisation of this nature.

Risk Management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that adequate systems and procedures are in place to mitigate any exposure to the major risks identified. The Trustees and management assess the level of risk on an ongoing basis by looking at both the local UK Charity sector and global trends, the charity's financial performance, how global markets are responding to changing events, and other indicators within Kabbalah Centres across the globe.

The Trustees have identified the key risks which are (1) Cyber security (2) management of the investment portfolio, the related returns/losses in the current economic climate and (3) Managing the building projects within budget and the agreed building program.

Management is tasked with ensuring that the necessary measures are in place to ensure that all IT systems are protected and regular monitoring of the investments is carried out by the Investment Committee to ensure that long-term investment returns are achieved and sustained. The investment strategy is reviewed annually to ensure that it is realistic, relevant, and appropriate to achieve the required returns. Key organisational policies and procedures are reviewed annually to ensure that we reassess and continue to strengthen and enhance internal controls, reporting, and governance standards.

The professional project team appointed by the Trustees to manage the building projects continues to monitor and track progress closely with regular project meetings and site visits.

KABBALAH CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Kabbalah Centre 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.

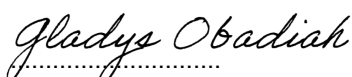
Auditor

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

Disclosure of information to auditor

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

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



Gladys Obadiah

Trustee

Date: 24/09/2024

KABBALAH CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KABBALAH CENTRE

Opinion

We have audited the financial statements of Kabbalah Centre (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, 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 31 December 2023 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; 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

KABBALAH CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KABBALAH CENTRE

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 directors' report included within 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

KABBALAH CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KABBALAH CENTRE



Benjamin Allen FCCA (Senior Statutory Auditor)
for and on behalf of Glazers

25 September 2024

Chartered Accountants
Statutory Auditor

843 Finchley Road
London
NW11 8NA

KABBALAH CENTRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds		funds	funds	
		2023	2023	2023	2022	2022	2022
Notes		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3	1,442,025	1,752,356	3,194,381	1,167,337	630,233	1,797,570
Charitable activities		758,733	-	758,733	575,316	-	575,316
Other trading activities		143,185	-	143,185	209,293	-	209,293
Investments	4	448,352	-	448,352	378,763	-	378,763
Other income		257,070	-	257,070	140,999	-	140,999
Total income		3,049,365	1,752,356	4,801,721	2,471,708	630,233	3,101,941
Expenditure on:							
Raising funds	5	547,605	-	547,605	362,867	-	362,867
Charitable activities	6	3,832,289	519,779	4,352,068	3,825,962	310,056	4,136,018
Total expenditure		4,379,894	519,779	4,899,673	4,188,829	310,056	4,498,885
Net gains/(losses) on investments	11	1,321,306	-	1,321,306	(2,373,198)	-	(2,373,198)
Net income/(expenditure)		(9,223)	1,232,577	1,223,354	(4,090,319)	320,177	(3,770,142)
Transfers between funds		1,582,330	(1,582,330)	-	1,072,689	(1,072,689)	-
Other recognised gains and losses:							
Revaluation of tangible fixed assets		130,000	-	130,000	(300,000)	-	(300,000)
Other gains/(losses)	12	(929,766)	-	(929,766)	24,870	-	24,870
Net movement in funds	8	773,341	(349,753)	423,588	(3,292,760)	(752,512)	(4,045,272)
Reconciliation of funds:							
Fund balances at 1 January 2023		54,151,585	2,954,483	57,106,068	57,444,345	3,706,995	61,151,340
Fund balances at 31 December 2023		54,924,926	2,604,730	57,529,656	54,151,585	2,954,483	57,106,068

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

KABBALAH CENTRE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds		funds	funds	
		2023	2023	2023	2022	2022	2022
Notes		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3	1,165,887	1,752,356	2,918,243	1,167,337	630,233	1,797,570
Charitable activities		758,733	-	758,733	575,316	-	575,316
Other trading activities		143,185	-	143,185	209,293	-	209,293
Investments	4	448,352	-	448,352	378,763	-	378,763
Other income		231,868	-	231,868	140,999	-	140,999
Total income		2,748,025	1,752,356	4,500,381	2,471,708	630,233	3,101,941
Expenditure on:							
Raising funds	5	547,605	-	547,605	362,867	-	362,867
Charitable activities	6	3,506,362	519,779	4,026,141	3,825,962	310,056	4,136,018
Total expenditure		4,053,967	519,779	4,573,746	4,188,829	310,056	4,498,885
Net gains/(losses) on investments	11	1,321,306	-	1,321,306	(2,373,198)	-	(2,373,198)
Net income/(expenditure)		15,364	1,232,577	1,247,941	(4,090,319)	320,177	(3,770,142)
Transfers between funds		1,582,330	(1,582,330)	-	1,072,689	(1,072,689)	-
Other recognised gains and losses:							
Revaluation of tangible fixed assets		130,000	-	130,000	(300,000)	-	(300,000)
Other gains/(losses)	12	(477,157)	-	(477,157)	24,870	-	24,870
Net movement in funds	8	1,250,537	(349,753)	900,784	(3,292,760)	(752,512)	(4,045,272)
Reconciliation of funds:							
Fund balances at 1 January 2023		54,151,585	2,954,483	57,106,068	57,444,345	3,706,995	61,151,340
Fund balances at 31 December 2023		55,402,122	2,604,730	58,006,852	54,151,585	2,954,483	57,106,068

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

KABBALAH CENTRE

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	13	1,357,696		1,600,794	
Tangible assets	14	28,765,707		27,740,853	
Investment property	15	9,561,366		9,624,333	
Investments	16	15,424,272		17,892,712	
		55,109,041		56,858,692	
Current assets					
Stocks	17	51,370		62,195	
Debtors	18	460,064		464,580	
Cash at bank and in hand		2,462,634		3,990,741	
		2,974,068		4,517,516	
Creditors: amounts falling due within one year	20	(553,453)		(841,045)	
Net current assets		2,420,615		3,676,471	
Total assets less current liabilities		57,529,656		60,535,163	
Creditors: amounts falling due after more than one year	21	-		(3,429,095)	
Net assets excluding pension liability		57,529,656		57,106,068	
Net assets		57,529,656		57,106,068	
The funds of the charity					
Restricted income funds	23	2,604,730		2,954,483	
Unrestricted funds		54,924,926		54,151,585	
		57,529,656		57,106,068	

The financial statements were approved by the trustees on 24/09/2024.

Gladys Obadiah

Gladys Obadiah
Trustee

Company registration number 03659214 (England and Wales)

KABBALAH CENTRE

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	13	1,357,696		1,600,794	
Tangible assets	14	25,737,443		24,517,942	
Investment property	15	6,907,151		6,773,288	
Investments	16	15,424,272		17,892,712	
		49,426,562		50,784,736	
Current assets					
Stocks	17	51,370		62,195	
Debtors	18	6,621,365		6,538,536	
Cash at bank and in hand		2,392,143		3,990,741	
		9,064,878		10,591,472	
Creditors: amounts falling due within one year	20	(484,588)		(841,045)	
Net current assets		8,580,290		9,750,427	
Total assets less current liabilities		58,006,852		60,535,163	
Creditors: amounts falling due after more than one year	21	-		(3,429,095)	
Net assets excluding pension liability		58,006,852		57,106,068	
Net assets		58,006,852		57,106,068	
The funds of the charity					
Restricted income funds	23	2,604,730		2,954,483	
Unrestricted funds		55,402,122		54,151,585	
		58,006,852		57,106,068	

The financial statements were approved by the trustees on 24/09/2024.

Gladys Obadiah
 Gladys Obadiah
 Trustee

Company registration number 03659214 (England and Wales)

KABBALAH CENTRE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(196,514)		(300,370)
Investing activities					
Purchase of tangible fixed assets		(1,617,302)		(4,300,691)	
Purchase of investment property		(3,863)		(2,860,323)	
Proceeds from disposal of other investments		3,438,133		6,200,000	
Investment income received		322,808		378,733	
Net cash generated from/(used in) investing activities			2,139,776		(582,281)
Financing activities					
Proceeds from new bank loans		-		3,900,000	
Repayment of bank loans		(3,471,369)		(1,945,118)	
Net cash (used in)/generated from financing activities			(3,471,369)		1,954,882
Net (decrease)/increase in cash and cash equivalents			(1,528,107)		1,072,231
Cash and cash equivalents at beginning of year			3,990,741		2,918,510
Cash and cash equivalents at end of year			2,462,634		3,990,741

KABBALAH CENTRE

CHARITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(294,862)		(6,374,325)
Investing activities					
Purchase of tangible fixed assets		(1,589,445)		(1,077,781)	
Purchase of investment property		(3,863)		(9,278)	
Proceeds from disposal of other investments		3,438,133		6,200,000	
Investment income received		322,808		378,733	
Net cash generated from investing activities			2,167,633		5,491,674
Financing activities					
Proceeds from new bank loans		-		3,900,000	
Repayment of bank loans		(3,471,369)		(1,945,118)	
Net cash (used in)/generated from financing activities			(3,471,369)		1,954,882
Net (decrease)/increase in cash and cash equivalents			(1,598,598)		1,072,231
Cash and cash equivalents at beginning of year			3,990,741		2,918,510
Cash and cash equivalents at end of year			2,392,143		3,990,741

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Kabbalah Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Stratford Place, London, W1C 1BB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's operations.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. All support costs have been allocated to charitable activities. Governance costs are re-allocated to each of the activities on the basis of direct expenditure as follows:

- | | |
|----------------------------|-----|
| • Raising voluntary income | 16% |
| • Charitable activities | 84% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets are capitalised where the purchase price exceeds £500.

Amortisation 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:

Digital Kabbalistic writings by scholar Rav Ashlag	10 year straight line
--	-----------------------

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.7 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. Items of equipment are capitalised where the purchase price exceeds £500.

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	50 year straight line
Fixtures and fittings	3 year straight line
Motor vehicles	3 year straight line
Other fixed assets	3 year straight line
Sefer Torah	indefinite useful life

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.

1.8 Investment property

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 statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.10 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market. The charity retains a small amount of inventory of books (Zohars) some of which are distributed for free as part of the Zohar project.

1.12 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.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.13 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

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.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

Charity

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds		funds	funds	
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	1,165,887	1,752,356	2,918,243	1,167,337	630,233	1,797,570

Group

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds		funds	funds	
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	1,442,025	1,752,356	3,194,381	1,167,337	630,233	1,797,570

4 Income from investments For the Charity and Group

	Unrestricted	Unrestricted
	funds	funds
	2023	2022
	£	£
Rental income	160,829	149,380
Income from listed investments	60,471	63,957
Interest receivable	227,052	165,426
	448,352	378,763

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Expenditure on raising funds For the Charity and Group

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Governance costs	1,000	638
Investment manager fees	83,899	91,922
Investment property costs	28,640	42,484
Fundraising costs	434,066	227,823
	<u>547,605</u>	<u>362,867</u>

6 Expenditure on charitable activities

	Group Charitable activities 2023 £	Group Charitable activities 2022 £	Charity Charitable activities 2023 £	Charity Charitable activities 2022 £
Direct costs				
Depreciation and impairment	613,042	614,709	613,042	614,709
Staff costs	2,174,662	2,066,353	2,106,835	2,066,353
Other direct costs	1,469,084	1,129,921	1,210,984	1,129,921
Grants paid	28,587	245,403	28,587	245,403
Fundraising trading	34,360	59,020	34,360	59,020
	<u>4,319,735</u>	<u>4,115,406</u>	<u>3,993,808</u>	<u>4,115,406</u>
Share of support and governance costs (see note 7)				
Governance	32,333	20,612	32,333	20,612
	<u>4,352,068</u>	<u>4,136,018</u>	<u>4,026,141</u>	<u>4,136,018</u>
Analysis by fund				
Unrestricted funds	3,506,362	3,825,962	3,506,362	3,825,962
Restricted funds	519,779	310,056	519,779	310,056
	<u>4,026,141</u>	<u>4,136,018</u>	<u>4,026,141</u>	<u>4,136,018</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Support costs allocated to activities For the Charity and Group

	2023 £	2022 £
Governance costs	33,333	21,250
Analysed between:		
Fundraising	1,000	638
Charitable activities	32,333	20,612
	33,333	21,250

8 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	33,333	21,250
Depreciation of owned tangible fixed assets	369,944	372,262
Amortisation of intangible assets	243,098	242,446

9 Employees For the Charity and Group

The average monthly number of employees during the year was:

2023 Number	2022 Number
36	38

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000 - £70,000	2	2
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
£90,001 - £100,000	-	2
£100,001 - £110,000	-	2
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£180,001 - £190,000	1	1
£240,001 - £250,000	1	-

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Employees

(Continued)

Remuneration of key management personnel

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel during the year were £561,087 (2022: £460,078). We have identified the following employees as key management : Chana Grinfeld, David Grinfeld, Avraham Nahmias & Marcus Weston due to the nature of their respective roles, decision making responsibility and seniority within the organisation as a whole. The teaching staff dedicate many years of study and spiritual practice to Kabbalah which generally extends to their entire family structure (wife & children), it is therefore common practice that a whole family unit may be involved and / or employed by the charity in some capacity from time to time.

Ruth Nahmias is related to Avraham Nahmias and she received remuneration of £44,830 (2022:£36,864) during the year. Nicole Weston is related to Marcus Weston and she also received remuneration of £62,992 (2022: £53,408) during the year.

The charity trustees were neither paid nor received any other benefits from employment with the charity during the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustee expenses represent the payment or reimbursement of travel and subsistence expenses incurred by the two overseas based Trustees totalling £2,840 (2022: £26,761 for 2 Trustees). The overseas travel is necessary to provide ongoing high level operational and spiritual support to the London and European centres. The visits allow for face to face meetings with the Kabbalah community and key donors across Europe.

10 Taxation

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

11 Gains and losses on investments For the Charity and Group

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	1,321,306	(2,373,198)

12 Other gains and losses

	Group Unrestricted funds 2023 £	Group Unrestricted funds 2022 £	Unrestricted funds 2023 £	Charity Unrestricted funds 2022 £
Gains/(losses) upon:				
Foreign exchange	929,766	(24,870)	477,157	(24,870)

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Intangible fixed assets For the Charity and Group

	Digital Kabbalistic writings by scholar Rav Ashlag £
Cost	
At 1 January 2023 and 31 December 2023	2,424,463
Amortisation and impairment	
At 1 January 2023	823,669
Amortisation charged for the year	243,098
At 31 December 2023	1,066,767
Carrying amount	
At 31 December 2023	1,357,696
At 31 December 2022	1,600,794

14 Tangible fixed assets

	Group Freehold land and buildings £	Group Other fixed assets £	Group Total £	Charity Freehold land and buildings £	Charity Other fixed assets £	Charity Total £
Cost						
At 1 January 2023	29,889,323	1,237,555	31,126,878	26,666,413	1,237,555	27,903,968
Additions	1,582,330	34,972	1,617,302	1,582,330	7,115	1,589,445
Exchange adjustments	(222,503)	-	(222,503)	-	-	-
At 31 December 2023	31,249,150	1,272,527	32,521,677	28,248,743	1,244,670	29,493,413
Depreciation and impairment						
At 1 January 2023	2,896,000	490,026	3,386,026	2,896,000	490,026	3,386,026
Depreciation charged in the year	362,000	7,944	369,944	362,000	7,944	369,944
At 31 December 2023	3,258,000	497,970	3,755,970	3,258,000	497,970	3,755,970
Carrying amount						
At 31 December 2023	27,991,150	774,557	28,765,707	24,990,743	746,700	25,737,443
At 31 December 2022	26,993,323	747,529	27,740,852	23,770,413	747,529	24,517,942

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15 Investment property	Group 2023 £	Charity 2023 £
Fair value		
At 1 January 2023	9,624,333	6,773,288
Additions through external acquisition	3,863	3,863
Net gains or losses through fair value adjustments	130,000	130,000
Foreign currency adjustments	(196,830)	-
At 31 December 2023	9,561,366	6,907,151

Investment property comprises Flat 46 Harley House and 29 Conway Street. The Harley House property was revalued during the financial year by an independent professional valuer. 29 Conway Street was last independently valued on 7th April 2020, the property was not revalued this year as the Trustees have embarked on a project to convert the property into three apartments. This has led to the Trustees retaining the prior valuation given the planned building work at 29 Conway Street.

In 2022 an additional property was purchased in Israel by Kids Creating Peace. This has been held at its previous valuation as the purchase had occurred within two years of the year end.

16 Fixed asset investments For the Charity and Group

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2023	16,297,245	2,174,669	18,471,914
Valuation changes	1,321,306	(114,157)	1,207,149
Interest & dividends	160,052	-	160,052
Management fees paid	(74,726)	(9,173)	(83,899)
Disposals	(3,438,133)	-	(3,438,133)
At 31 December 2023	14,265,744	2,051,339	16,317,083
Impairment			
At 1 January 2023	-	579,202	579,202
Impairment losses	-	313,609	313,609
At 31 December 2023	-	892,811	892,811
Carrying amount			
At 31 December 2023	14,265,744	1,158,528	15,424,272
At 31 December 2022	16,297,245	1,595,467	17,892,712

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Stocks

For the Charity and Group

	2023 £	2022 £
Finished goods and goods for resale	51,370	62,195

18 Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Amounts falling due within one year:				
Trade debtors	242,233	117,668	238,968	117,668
Loan - Kids Creating Peace	-	-	-	6,073,955
Other debtors	54,814	161,805	54,781	161,805
Prepayments and accrued income	163,017	185,108	163,017	185,108
	<u>460,064</u>	<u>464,581</u>	<u>456,766</u>	<u>6,538,536</u>
Amounts falling due after more than one year:				
	2023 £	2022 £	2023 £	2022 £
Amounts owed by subsidiary undertakings	-	-	6,164,599	-
	<u>-</u>	<u>-</u>	<u>6,164,599</u>	<u>-</u>
Total debtors	<u>460,064</u>	<u>464,581</u>	<u>6,621,365</u>	<u>6,538,536</u>

19 Loans and overdrafts

For the Charity and Group

	2023 £	2022 £
Bank loans	-	3,429,095
Payable after one year	-	3,429,095

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

20 Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Other taxation and social security	205,890	280,686	193,356	280,686
Trade creditors	230,125	83,316	194,612	83,316
Amounts owed to fellow group undertakings	1,668	5,592	1,668	5,592
Other creditors	23,425	-	2,607	-
Accruals and deferred income	92,345	471,451	92,345	471,451
	<u>553,453</u>	<u>841,045</u>	<u>484,588</u>	<u>841,045</u>

21 Creditors: amounts falling due after more than one year

For the Charity and Group

	Notes	2023 £	2022 £
Bank loans	19	-	3,429,095

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

22 Related party transactions

Kabbalah Centre International (KCI) manages the printing and publication of all Kabbalah books that are distributed globally through the Centre's in each country. The charity purchased books from KCI for resale to the value of £8,666 (2022: £41,061) during the year. The charity also purchased branded merchandise and products totalling £1,165 (2022: £24,811) and paid a sum of £15,532 for services obtained during the year.

Kabbalah Centre International (KCI) manages certain software licenses on behalf of the group. The charity paid KCI the sum of £37,490 (2022: £24,013) in respect of software and other license fees during the year.

The Kabbalah Centre launched a global membership scheme and package in 2019 where community members who sign up and join the scheme have access to the services and facilities provided by the Centre across all the countries where there is a physical presence. The membership scheme is managed by Kabbalah Centre International (KCI) who in turn provide grant funding to the UK charity to cover the cost of providing the service to the members. The charity received quarterly grants totalling £156,848 (2022: £164,691) during the year.

The charity's primary purpose is to spread the wisdom and teachings of Kabbalah across the globe. The UK Centre works and collaborates with other established Centre's and study groups to deliver this goal. In support of this work, the charity issued a grant of £26,824 to Kabbalah Centre, Mexico as a contribution towards the global Tree of Life project during this financial year.

We have identified the following as related parties by virtue of the charity having common Trustees with Kabbalah Centre International, a US-registered non-profit: Michael Berg & Elihayu Yardeni. The mentioned Trustees claimed travel expenses of £4,155 (2022: £26,826) during the year, all of which is business-related travel. The breakdown of the expenses by Trustee is Michael Berg £4,155 (2022: £13,030), Eliyahu Yardeni £0 (2022: £13,796).

The related party disclosure extends to the spouses and family members of the Trustees mentioned above. This includes Monica Berg & Yael Yardeni who provide Teaching and other specialist services (astrology reading, publishing books, etc.) related to the Kabbalistic spiritual philosophy and practices in conjunction with their partners from time to time. The above incurred travel-related expenses of £4,155 (2022: £3,164) during the year. The full amount disclosed was incurred by Monica Berg only.

The Charity provides ongoing Teaching and marketing support to the other registered Kabbalah entities across Europe & Africa, who may have common Trustees. The cost of the services provided are recovered as an administration fee, during 2023 the charity received administration fees of £198,394 (2022: £137,446). The fees were received from the following Kabbalah Centres, France £39,525 (2022: £20,991), South Africa £15,742 (2022: £17,460), Ivory Coast £43,225 (2022: £42,632), Italy £29,075 (2022: £45,807), Germany £57,953 (2022: £29,826) and Israel £12,874 (2022: £Nil).

The Trustees also have family members who are part of the Kabbalah community and participate in various activities on the same terms and basis as the general public. The aggregated voluntary donations and purchase of event tickets from the Trustees and family members during the year was £1,168,727 (2022: £38,399).

Action for London (A4L) is a registered charity that provides volunteer outreach activities to less fortunate communities across London. It is a related party by virtue of trustees in common. The charity received donations amounting to £0 (2022: £3,800) on behalf of A4L and used these funds to pay expenses of £0 (2022: £1,442) during the year.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Restricted funds

For the Charity and Group

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Rav Berg Zohar Project	504,034	355,051	(300,309)	-	558,776
12 Stratford Place Building Extension	2,301,984	1,149,433	-	(1,582,330)	1,869,087
The Karen Berg Scholarship Fund	109,181	77,557	(100,650)	-	86,088
Tree of Life	12,688	9,755	(22,443)	-	-
Kabbalah Youth Program	21,285	12,538	-	-	33,823
General Publishing	5,311	-	-	-	5,311
Shabbat Fund	-	72,818	(72,818)	-	-
Sukkah	-	13,877	(13,877)	-	-
Sefer Torah	-	50,934	-	-	50,934
Purim	-	639	(639)	-	-
Holiday Project	-	4,500	(4,150)	-	350
Bouhanna Project	-	3,946	(3,946)	-	-
KCP	-	1,308	(1,308)	-	-
A4L	-	-	361	-	361
	<u>2,954,483</u>	<u>1,752,356</u>	<u>(519,779)</u>	<u>(1,582,330)</u>	<u>2,604,730</u>

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	At 31 December 2022
	£	£	£	£	£
Rav Berg Zohar Project	235,352	444,367	(175,685)	-	504,034
12 Stratford Place Building Extension	3,356,673	18,000	-	(1,072,689)	2,301,984
The Karen Berg Scholarship Fund	114,970	90,846	(96,635)	-	109,181
Shabbat Fund	-	26,120	(26,120)	-	-
Tree of Life	-	14,287	(1,599)	-	12,688
Kabbalah Youth Program	-	21,285	-	-	21,285
General Publishing	-	5,311	-	-	5,311
Sukkot	-	10,017	(10,017)	-	-
	<u>3,706,995</u>	<u>630,233</u>	<u>(310,056)</u>	<u>(1,072,689)</u>	<u>2,954,483</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

Charity

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Revaluation reserve	12,609,482	-	-	-	130,000	12,739,482
General funds	41,542,103	2,748,025	(4,053,967)	1,582,330	844,149	42,662,640
	<u>54,151,585</u>	<u>2,748,025</u>	<u>(4,053,967)</u>	<u>1,582,330</u>	<u>974,149</u>	<u>55,402,122</u>

Charity

Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
Revaluation reserve	12,909,482	-	-	-	(300,000)	12,609,482
General funds	44,534,863	2,471,708	(4,188,829)	1,072,689	(2,348,328)	41,542,103
	<u>57,444,345</u>	<u>2,471,708</u>	<u>(4,188,829)</u>	<u>1,072,689</u>	<u>(2,648,328)</u>	<u>54,151,585</u>

Group

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
Revaluation reserve	12,609,482	-	-	-	130,000	12,739,482
Foreign exchange reserve	-	-	-	-	274	274
General funds	41,542,103	3,049,365	(4,379,894)	1,582,330	391,266	42,185,170
	<u>54,151,585</u>	<u>3,049,365</u>	<u>(4,379,894)</u>	<u>1,582,330</u>	<u>521,540</u>	<u>54,924,926</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

24 Unrestricted funds

(Continued)

Group Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
Revaluation reserve	12,909,482	-	-	-	(300,000)	12,609,482
General funds	44,534,863	2,471,708	(4,188,829)	1,072,689	(2,348,328)	41,542,103
	<u>57,444,345</u>	<u>2,471,708</u>	<u>(4,188,829)</u>	<u>1,072,689</u>	<u>(2,648,328)</u>	<u>54,151,585</u>

25 Analysis of net assets between funds

Charity

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Intangible fixed assets	1,357,696	-	1,357,696
Tangible assets	25,737,443	-	25,737,443
Investment properties	6,907,151	-	6,907,151
Investments	15,424,272	-	15,424,272
Current assets/(liabilities)	5,975,560	2,604,730	8,580,290
	<u>55,402,122</u>	<u>2,604,730</u>	<u>58,006,852</u>

Charity

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 December 2022:			
Intangible fixed assets	1,600,794	-	1,600,794
Tangible assets	24,517,942	-	24,517,942
Investment properties	6,773,288	-	6,773,288
Investments	17,892,712	-	17,892,712
Current assets/(liabilities)	6,795,944	2,954,483	9,750,427
Long term liabilities	(3,429,095)	-	(3,429,095)
	<u>54,151,585</u>	<u>2,954,483</u>	<u>57,106,068</u>

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

25 Analysis of net assets between funds

(Continued)

Group	Unrestricted	Restricted	Total
	funds	funds	
	2023	2023	2023
	£	£	£
At 31 December 2023:			
Intangible fixed assets	1,357,696	-	1,357,696
Tangible assets	28,765,707	-	28,765,707
Investment properties	9,561,366	-	9,561,366
Investments	15,424,272	-	15,424,272
Current assets/(liabilities)	(184,115)	2,604,730	2,420,615
	<u>54,924,926</u>	<u>2,604,730</u>	<u>57,529,656</u>

Group	Unrestricted	Restricted	Total
	funds	funds	
	2022	2022	2022
	£	£	£
At 31 December 2022:			
Intangible fixed assets	1,600,794	-	1,600,794
Tangible assets	24,517,942	-	24,517,942
Investment properties	6,773,288	-	6,773,288
Investments	17,892,712	-	17,892,712
Current assets/(liabilities)	6,795,944	2,954,483	9,750,427
Long term liabilities	(3,429,095)	-	(3,429,095)
	<u>54,151,585</u>	<u>2,954,483</u>	<u>57,106,068</u>

26 Financial commitments, guarantees and contingent liabilities

Tax on properties purchased in Israel

In the prior financial year, two properties were purchased in Israel through a subsidiary, Kids Creating Peace, which is a registered charity in Israel. The acquisition by Kids Creating Peace was considered to be for public purposes, and consequently, a reduced acquisition tax rate of 0.5% was applied. However, the Israeli tax authorities have since disputed this classification and are pursuing legal action to resolve the matter.

The potential liability for the acquisition tax and associated fines is estimated to be £526,332 (ILS 2,418,250) as of the balance sheet date.

Kabbalah Centre remains confident that the correct acquisition tax was paid for these properties and considers this a contingent liability.

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

27 Cash generated from operations	2023 £	2022 £
Surplus/(deficit) for the year	1,247,941	(3,770,142)
Adjustments for:		
Investment income recognised in statement of financial activities	(448,352)	(378,763)
Foreign exchange differences	(477,157)	24,870
Fair value gains and losses on investments	(1,321,306)	2,373,198
Depreciation and impairment of tangible fixed assets	613,042	614,709
Movements in working capital:		
Decrease/(increase) in stocks	10,825	(14,130)
(Increase) in debtors	(82,829)	(5,480,730)
(Decrease)/increase in creditors	(356,457)	144,009
Cash absorbed by operations	(814,293)	(6,486,979)

27 Cash generated from operations

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Surplus/(deficit) for the year	1,223,354	(3,770,142)	1,247,941	(3,770,142)
Investment income recognised in statement of financial activities	(448,352)	(378,763)	(448,352)	(378,763)
Foreign exchange differences	57,367	-	-	-
Fair value gains and losses on investments	(1,321,306)	2,471,488	(1,321,306)	2,471,488
Depreciation and impairment of tangible fixed assets	613,042	614,709	613,042	614,709
Interest charge	42,274	39,237	42,274	39,237
(Increase) in stocks	10,825	(14,132)	10,825	(14,132)
(Increase)/decrease in debtors	(86,127)	593,224	(82,829)	(5,480,731)
(Decrease)/increase in creditors	(287,592)	144,009	(356,457)	144,009
Cash absorbed by operations	(196,515)	(300,370)	294,862	6,374,325

KABBALAH CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

29 Analysis of changes in net funds Charity

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	3,990,741	(1,598,598)	2,392,143
Loans falling due after more than one year	(3,429,095)	3,429,095	-
	<u>561,646</u>	<u>1,830,497</u>	<u>2,392,143</u>

Group

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	3,990,741	(1,528,107)	2,462,634
Loans falling due after more than one year	(3,429,095)	3,429,095	-
	<u>561,646</u>	<u>1,900,988</u>	<u>2,462,634</u>

Accounts

Company registration number 03659214
Charity number: 1079796

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

KABBALAH CENTRE

(A company limited by guarantee)

KABBALAH CENTRE

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KABBALAH CENTRE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

Gladys Obadiah
Lady Homa Alliance
Rabbi Yarom Yardeni
Michael Berg
Yael Green

Company registered number

03659214

Charity registered number

1079796

Registered office

12 Stratford Place, London, W1C 1BB

Company Secretary

Gladys Obadiah

Independent auditors

Sayer Vincent LLP, Invicta House, 108 – 114 Golden Lane, London, EC1Y 0TL

Fund Managers

1. Barclays Bank PLC, 1 Churchill Place, Canary Wharf, London, E15 5HP
2. Axentia Wealth Management Limited, 1 David Hameleh, Tel Aviv-Jaffa, Israel

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

KABBALAH CENTRE

(A company limited by guarantee)

The Trustees present their annual report, together with the audited financial statements of the Kabbalah Centre, for the year 1 January 2022 to 31 December 2022.

As the Charity qualifies as small under Section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

POLICIES AND OBJECTIVES

The Charity's objective is to make the ancient spiritual wisdom of Kabbalah more readily available to people of all backgrounds and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

The Kabbalah Centre achieves the above by:

- Delivering a wide range of educational Kabbalah courses that are open to all regardless of religious, ethnic, or economic background. Educational resources include seminars, workshop experiences, online study material, virtual classrooms, and other special events. The ongoing development and delivery of the educational programmes are carried out by a dedicated and committed team of qualified Kabbalah teachers, who are also available to provide one on one support to students.
- Promoting and organising a series of spiritual events aligned to the Kabbalah calendar throughout the year. The events are open to all and provide an opportunity for ongoing spiritual development and learning whilst also assisting the Centre to raise funds to continue its charitable mission.
- Working with the wider community to deliver a range of charitable programmes. The Kabbalah Centre has created several community-focused programmes which provide direct physical support and assistance to those living in less fortunate circumstances and conditions.

STRATEGIES FOR ACHIEVING OBJECTIVES

The key overall strategy for the Kabbalah Centre is to continually expand its reach into communities across Europe and Africa.

The key operational objective is to continually grow student registrations across the major cities in Europe and parts of Africa, through delivering high-quality spiritual education and instilling broader community practices that are relevant to the world in which we live today. The ultimate aim is to provide each Kabbalah student with both practical life skills and spiritual tools that will enable them to contribute to a better quality and standard of life for all humanity – the students, their families, and the wider community within which they live.

We reverted to the tried and tested pre-COVID operational strategy of hosting more in-person events and facilitating one on one engagement with the Kabbalah community during 2022. The Centre leased an office in Central London to provide class and event facilities in support of creating wider engagement with the community once again.

PRINCIPAL ACTIVITIES FOR ACHIEVING OBJECTIVES

The key activities aligned with the strategic objectives in this financial year were:

- Getting back to basics (the traditional operational model) following the operational adjustments brought about during the COVID pandemic. This included galvanising and energising the Kabbalah community by hosting larger spiritual events in London, Paris, and South Africa.
- The delivery of enhanced opportunities and services for students and the Kabbalah community members across Europe & Africa to meet in person with their Teachers and to participate in a wide range of outreach activities.
- The ongoing work and investment in translating the Zohar into French.

KABBALAH CENTRE

(A company limited by guarantee)

- Pushing forward with the building work at 12 Stratford Place and 29 Conway Street.
- The purchase of land in Israel to build an international retreat Centre.
- Reviving the dormant KCP charity in Israel to continue the Spirituality for Kids program which was established to develop spiritual education programs for children primarily in the Middle East. The programs will continue to be adapted to also cater to children in other parts of the world.
- The official registration of the charity in Spain.
- The ongoing research and preparation to publish a range of exclusive books from the Rav Ashlag digital writings.
- The Zohar project activities in Poland and Ukraine in response to the invasion of Ukraine, involving twenty-one volunteers from Poland, Spain, Netherlands, Romania, the UK & Portugal

MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees ensure that the activities of the Charity are consistent with its charitable objects and aims. In setting and agreeing the annual plans the Trustees take the public benefit aims into account, as set out in the Charity Commission's general guidance on public benefit. The Trustees continue to believe that there is a clear public benefit derived from the activities of the Kabbalah Centre.

The Charity continued to provide both in-person and online educational courses, one on one spiritual support, and mentorship by a team of trained and experienced teaching staff throughout 2022. The focus of the Kabbalah Centre's charitable purpose is to reach more students from all backgrounds who have an interest or desire to learn more about spirituality; and how to understand and apply the ancient wisdom and Kabbalah practices and principles to their own lives.

The Kabbalah teaching staff has developed a range of spiritual courses for the public to access. The courses start from a foundation or beginner level (Kabbalah 1) and systematically move into the more spiritually advanced or deeper levels of spiritual understanding as the student progresses from Kabbalah 1 to Kabbalah 4. In addition to the courses outlined above the offer includes more advanced courses beyond Kabbalah 4. The classes, seminars, and events offered by the Kabbalah Centre are available throughout the year to existing community members and the general public without any restriction. The study programme is structured in a way that continuously strengthens the student's spiritual growth and consciousness. It provides them with the day-to-day tools and skills to assist in achieving their life goals and positively contribute to the wider society and community, including serving as a volunteer on specific community projects.

The Centre held two major events in London and one in Paris led by Michael and Monica Berg (attended by 670 students) in addition to the regular spiritual and fundraising events held in London, Italy, and South Africa.

The demand for scholarships and subsidised course fees increased once again in 2022. The Centre granted 1,251 full scholarships and 1,003 part scholarships during the year (valued at £55,890), funded by the Karen Berg Scholarship Fund. This fund was established to continue Karen Berg's vision of making the wisdom and tools of Kabbalah accessible to all students without any financial barrier.

We continued to market and grow the Onehouse Community Membership across Europe and South Africa during the year. The Onehouse membership scheme is a key programme for the Charity, as it provides students with the ability to instantly connect with a range of Kabbalistic tools and wisdom from anywhere in the world at any time. The student support department actively seeks to promote the membership programme and support students to chart a personal plan of study tailored to their specific needs, interests, and personal schedule. The Teachers are available for one on one sessions with their students and able to connect with them from anywhere in the world to advise, listen to, and support them on their spiritual path.

The Centre distributed 17,808 (2021: 9,600) Zohars across the UK, Europe, and Africa in 2022. A team of 22 volunteers (from Spain, Netherlands, Romania, and Poland) and three Teachers spent a week in Poland distributing Zohars along the Ukraine border and areas within Poland that were receiving and supporting people leaving Ukraine.

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The printing and distribution cost of the Zohar is funded by donations to the Zohar Project, this is an ongoing and continuous Kabbalah project. The Zohar Project provides the foundation and serves as an integral component of the Centre's charitable activities. The Zohar is written in the ancient language of Aramaic and contains universal wisdom that predates religion, to inspire and unify millions of people of all nationalities, faiths, and backgrounds. *Rav Berg's vision was of a Zohar in every home across the globe to bring the light and power of the Zohar to all.* The Zohar promotes universal principles, emphasising the profound importance of human dignity and respect, thereby fostering peace and unity amongst all people.

The Kabbalah Centre continued to support and work with Action4London in delivering its outreach and volunteer-driven community projects across London.

Plans for future periods

The Charity continues to review its operational plan on an annual basis, this entails a review of past performance across the entire organisation and reassessing how it can grow and better utilise its assets and facilities across London and Europe, to achieve a more sustainable and impactful business model whilst delivering its mission and charitable objectives. The primary goal is to spread the wisdom of Kabbalah by increasing student enrolment numbers and expanding into more communities across Europe and Africa in a sensible, organised, and financially sustainable manner.

It is envisaged that the desired growth will be achieved by:

- The ongoing review of the global communications and marketing strategy – assessing and testing different social media and marketing channels in different regions, expanding the marketing team in the UK and Europe including the ongoing investment in new technology and software and more regionally focused marketing.
- Expanding the distribution channels for the range of Kabbalah publications and merchandise across Europe and Africa.
- Ongoing review and investment in developing the internal IT systems and internal procedures.
- Ongoing training and development of the teaching staff, recruitment of marketing staff, and training mentors from the pool of volunteers that work with the Centre
- Developing the vacant land (Bourne Mews) and upgrading the existing building at 12 Stratford Place.
- The commercialisation and effective internal use of the digital writings purchased in 2019.
- The translation of the Zohar into French and the ongoing fundraising and delivery of the Zohar project activities.
- Reviving the Spirituality for Kids program in conjunction with Kids Creating Peace (KCP) a charity registered in Israel.

Specific Plans for the Future

1. UK Building Extension And Property Refurbishment.

The project to develop the vacant land and refurbish 12 Stratford Place picked up pace this year as all the outstanding permissions, approvals, and agreements were eventually finalised. The charity spent £1,056,551 (2021:£734,604) on the project during 2022.

The cumulative expenditure on the project at year-end was £2.6m (2021: £1.5m).

The goal for 2023 and beyond is to ensure that the project is managed effectively throughout the building work, that we continue to identify and closely monitor the key risks, and that the building is ultimately completed on time, within budget, and to the expected standard.

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2. Publishing Activities

The Kabbalah Centre invested in the purchase of the sacred Kabbalistic writings by a renowned student of Kabbalah in 2019. The writings are considered to be the central textbooks for students of Kabbalah. We anticipated that these rare and historical writings would significantly enhance the Centre's unique content offering in future years. The writings are in digital format and comprise more than 10,000 pages of unpublished material.

The Publishing team has completed the first edition (Shir Hashirim) which is now available for sale. The second edition (Alef-Bet Dictionary) is expected to be completed and launched in July 2023 and work on the third edition (Pei Hacham) has started and will be published in December 2023.

The Publishing team is dedicated to ensuring that each edition is thoroughly researched and carefully crafted to provide the highest quality content that will generate an ongoing source of income for the charity.

3. European and African Operations

The reorganisation of the European & African operations under KCE has delivered significant cost savings over the last few years, however, the key goal in the year ahead is to continue to increase income and control costs for all the entities in Europe and Africa to break even in 2024.

The objective is also for the Centre to continue to invest and improve the internal systems and operating processes across each of its operating Centres and to invest in the areas and countries that we believe have the potential to grow.

The registration of the charity in Spain is now complete and the focus for the next year is to set up the internal systems and governance processes in line with local requirements and to implement the charitable activities identified in the business plan.

4. Development of Israel Property

The Trustees approved the proposal to purchase vacant land in Caesarea, Israel in 2021. The purchase agreements for the properties were concluded in this financial year. The Centre will now embark on the design and development of the international retreat Centre, we will focus on the design work, planning permissions, and fundraising for this project over the next year.

We have a broad timeline of two to three years to complete the project at an estimated cost of £6.1m.

5. Zohar Project Activities

The Zohar Project provides the foundation and serves as an integral component of the Centre's charitable activities. The charity will continue to focus on the Zohar Project in the year ahead with particular focus on (a) the printing and distribution of 100,000 Pinchas Zohar's in Ukraine and Poland (b) completing the translation of the Zohar into French and (c) streamlining the printing, storage, and distribution of the Zohars in Europe.

6. Spirituality for Kids (KCP) Program

The charity started the process of reviving the "Kids Creating Peace" program in Israel during this financial year, using the existing KCE teaching staff and external specialised support services. The program aims to promote peace, tolerance, and understanding among children mainly in the Middle East. The program will also be adapted to an international market in the year ahead. The objective of the program is to foster empathy, cooperation, and dialogue, in children at an early age so that they may grow to empower themselves and their communities to become ambassadors of peace and work toward creating a more harmonious, compassionate, and tolerant world.

Achievements and Performance

KEY FINANCIAL PERFORMANCE INDICATORS

The Centre ended the financial year with an operating loss of £3,770,142 (2021: £3,413,339 profit). The overall accumulated reserves decreased by £4,045,272 (2021: £3,429,520 increase) to £57.1m after adjusting for foreign

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exchange gains and losses. The main reason for the operating loss is that income from donations decreased by £2.5m and expenditure on charitable activities increased by £780k during this financial year.

Total income decreased from £5.4m in 2021 to £3.1m this year. We received a one-off large unrestricted donation of £2.2m in 2021 which also qualified for Gift Aid. The total income received in this financial year was back in line with previous years and not the result of any fundamental change in the operating model whereas the income in 2021 was a one-off spike due to the large unrestricted donation mentioned above

As the internal reorganisation has taken shape across the Charity's operations in Europe and Africa we are gradually starting to see more consistent levels of income each year – which is a significant improvement from the declining trend in unrestricted donations over the last six years. The Charity continues to focus on delivering against its annual operational targets in a more structured and controlled manner.

Expenditure on charitable activities increased by 22% (2021:12% decrease) in this financial year from £3,626,175 to £4,406,325. 2021, 2021 proved to be an abnormal year due to COVID restrictions that limited the ability to travel and hold in-person events which resulted in lower operational costs.

The following factors contributed to the significant increase in charitable expenditure during the year:

- Increased office rent – the charity entered into a one-year lease for office space in Central London to start up the post-COVID activities as we could no longer use 12 Stratford Place due to the ongoing building work.
- Increased expenditure on travel - the Teachers started to travel across Europe and Africa once again to attend spiritual events, hold classes and meet students in person
- Increased expenditure on events – we held several large fundraising events in London, Paris, and South Africa during the year.
- Increased salary costs – we employed more Teachers and marketing staff in 2022.

Total expenditure (including fundraising expenses) for the year increased to £4.5m from £3.8m the previous year.

The organisation's listed investments were valued at £17,892,712 (2021: £26,539,298) at the close of the financial year. £6.2m was withdrawn from the investment portfolio during the year to fund the purchase of two properties in Caesarea, Israel, and the 12 Stratford Place building work. The charity purchased the properties in Israel with the intention of building an international retreat Centre to be used to advance the charity's spiritual mission and charitable activities.

In addition to the above the value of the listed investments declined by £2.4m. The unrealised loss of £2.4m was driven by post-COVID volatility in global markets; the investment committee continues to work with the fund managers to review the short to medium-term investment strategy.

£16.3m (2021: £25m) of the total investments of £17.9m are managed by Barclays UK and invested in listed/ liquid assets. The investment portfolio managed by Barclays delivered a loss of 9.75% in (2021:6.73%) over the year.

The balance of the investment portfolio is managed by Axentia, the value of the portfolio has not changed during the year and we have continued to impair the value of the private equity investments within the portfolio. The Investment Committee continues to monitor the investments held in this portfolio and seek further independent professional advice.

REVIEW OF ACTIVITIES

We continue to measure the organisation's progress against the following key indicators:

- The net financial results for the year and the net contribution towards unrestricted funds.
- Managing the capital expenditure projects within the approved budget and adhering to the building programme.
- The percentage growth in student numbers in London and Europe compared to worldwide growth across all locations.

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- The number of Kabbalah classes delivered during the year, attendance, and student participation in the wider activities offered by the charity.
- The increase in the number of people attending the spiritual connections and other events held at the Centre.
- Ensuring that we have adequate short-term and liquid reserves to fund the major capital expenditure projects.
- The number of volunteers working with the charity across Europe & Africa.
- The number of Zohar's distributed and scholarships issued each year.

2022 was a year of getting back to basics and reaching out to the Kabbalah community once again following the COVID-19 pandemic and the changes in the operating model that were necessary to work around this unprecedented global event.

The Centre focused on manifesting its spiritual vision in environments experiencing human conflict and suffering through the Zohar Project. We distributed Zohar's in hospitals, and churches in Ukraine and Poland including government offices and embassies across Europe. We continued to grow the scholarship fund providing 1,251 full scholarships and 1,003 part scholarships.

We reverted to hosting events once again and continued to drive the implementation of the updated marketing strategy and to invest in new staff and the appropriate marketing channels in support of the Charity's ambition to reach a wider global audience.

INVESTMENT POLICY AND PERFORMANCE

The Charity has adopted a total return policy for the investment portfolio. The Centre's investment funds are placed with and managed by two experienced and qualified Fund Managers in Barclays Wealth Management and Axentia. The Investment Committee determines the organisation's risk profile and the high-level investment strategy to provide overall guidance to the appointed Fund Managers. The Investment Committee meets every quarter to review the performance of the investment portfolio and to reassess the risks as more economic data becomes available and global markets respond.

FACTORS RELEVANT TO ACHIEVING THE OBJECTIVES

Financial Review

A summary of the financial performance for 2022 is set out in the statement of financial activities and the balance sheet on pages 10 to 14.

The organisation's consolidated income for the year decreased from £5.4m in 2021 to £3.1m in 2022.

The Centre generates its income from the following sources:

- Donations – 58% (2021: 79%). Last year's income from donations included a one-off unrestricted donation of £2.2m and a further sum of £563k in gift aid. The current year's level of 58% is back in line with previous years.
- Class, consultation fees, and fundraising events – 27% (2021: 11%). 2021 was a low base due to the impact of COVID-19. We were able to hold more classes, chart readings, and in-person events and consultations with the community in 2022.
- Trading activities – 3% (2021: 1%). Sales of the Zohar increased in 2022 as new students registered for the classes.
- Investments – 12% (2021: 6%). Rental income increased by £76k in 2022 as we managed to secure a long-term tenant at Harley House and Conway Street following a period in 2021 when the properties were unoccupied.

This year's results continue to highlight the unpredictability of, and over-reliance on, donor income. The Trustees continue to be aware of the historical performance and the need to diversify and generate more income from trading activities, the investment portfolio, and rental income from the investment properties. The current financial projections reflect that the ongoing development of 12 Stratford Place and the retreat Centre in Israel will make a

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significant and consistent contribution to the charity's income in future years upon completion of the projects.

Total expenditure increased by 20% (2021: 11% decrease) in 2022, from £3.8m in 2021 to £4.5m in 2022.

The Centre incurred a range of additional operating expenses in this financial year as the post-COVID world opened up and reverted to its tried and tested operational model of direct engagement with the Kabbalah community. This resulted in increased costs of travel, venue hire, office space, and catering.

GOING CONCERN

The Trustees are confident that the Charity has adequate resources to continue its operational activities for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Total funds decreased from £ 61.1m in 2021 to £57.1m in 2022 due to the operating loss and unrealised loss on the charity's investments. The Trustees regularly reassess the operational strategy and seek options to diversify the source of income; considering the constant changes taking place in the external environment and in particular the impact of these changes on the long-term viability of the planned building works. The Trustees will continue to consult and draw on specialist advice as necessary throughout the construction of the building.

The Trustees review the level of resources annually and continue to believe that the Charity is in a sound financial position with the appropriate level of unrestricted funds necessary to achieve the Charity's growth objectives and plans for the future.

MATERIAL INVESTMENTS POLICY

The Trustees continue to consult widely with a range of investment specialists to assess and understand the changing investment landscape. The investment policy is reviewed and updated as is considered necessary for the Charity given the prevailing circumstances at the time.

The Centre's investment portfolio is managed by a team of reputable and professional investment managers who report directly to the Investment Committee on a quarterly basis.

Structure, Governance, and Management

GOVERNING DOCUMENT

Kabbalah Centre (the Charity) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 29 October 1998. It is also registered as a Charity (Charity number: 1079796) with the Charity Commission of England and Wales.

The principal object of the Charity is to advance the understanding of the ancient spiritual wisdom of the Kabbalah, to make the Kabbalah teachings more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

ORGANISATIONAL STRUCTURE

The Kabbalah Centre was founded by Rav Yehuda Ashlag in 1992 and now has locations in more than 40 cities across the globe.

Kabbalah Centre International (KCI) serves as the global Head Office or reporting Centre for Europe and South America. KCI provides ongoing strategic support to the UK Charity, the UK Charity in turn has created two operating divisions (KCL & KCE) to implement and manage the activities across the United Kingdom, Israel and other countries in Europe and Africa. The divisional operations are consolidated for accounting and reporting

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purposes, reporting to the UK Board. The UK Board of Trustees consists of five members, two of which also serve on the KCI Board.

KCL (the division) focuses solely on the charitable activities within the United Kingdom, whereas KCE (the division) has oversight over the operations across Europe and Africa. KCE provides the necessary operational support and guidance to the registered entities and study groups in Poland, France, Italy, Spain, Portugal, Israel, South Africa, and the Republic of Côte d'Ivoire.

In order to meet local governance requirements, we have registered independent legal entities in Poland, France, Italy, Spain, South Africa, and the Republic of Côte d'Ivoire, each of the mentioned countries has a Board and a local management team who report to the Trustees via the UK based management team. The UK charity also revived Kids Creating Peace (KCP) which is a charity registered in Israel which was previously dormant, KCP is a wholly owned subsidiary of the UK charity.

The Trustees continue to recognise and monitor the potential conflict of interest issues that may arise as a result of the organisational structure outlined above. The Charity continues to reassess the situation and implement further measures to strengthen the governance procedures to meet the required standard.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The Charity appoints new Trustees by first assessing the functional skills and expertise required for the development and governance of the Kabbalah Centre and thereafter selects Trustees on that basis. The nominated new Trustee is presented to the full Board for approval and acceptance before any appointment is made.

The appointment of Trustees is governed by the Memorandum and Articles of Association. Trustee nominations are solicited internally from other current and past Trustees within the Charity and its supporters and the Kabbalah community. The new Trustee is proposed, seconded, and voted in at a Board meeting.

Each new Trustee is taken through an induction programme. The programme includes briefings on their legal and ethical responsibilities as Trustees, the ethos and values of Kabbalah, and a historical overview of the organisation. The Trustees also receive the Charity Commission guidance documents and are required to read and sign the conflicts of interest and code of ethics documents.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees, which must have at least three members, provides the governance, oversight, and strategic leadership of the Charity. The Board meets every three months.

REMUNERATION POLICY

The Centre aims to set remuneration levels for each position within the scale set by comparable charities, whilst being mindful of the specific range of business skills, spiritual knowledge, and commitment required to run an organisation of this nature.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that adequate systems and procedures are in place to mitigate any exposure to the major risks identified. The Trustees and management assess the level of risk on an ongoing basis by looking at both the local UK Charity sector and global trends, the charity's financial performance, how global markets are responding to changing events, and other indicators within Kabbalah Centres across the globe. The Trustees have identified the key risks which are (1) Cyber security (2) management of the investment portfolio, the related returns/losses in the current economic climate and (3) Managing the building projects within budget and the agreed building program.

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Management is tasked with ensuring that the necessary measures are in place to ensure that all IT systems are protected and regular monitoring of the investments is carried out by the Investment Committee to ensure that long-term investment returns are achieved and sustained. The investment strategy is reviewed annually to ensure that it is realistic, relevant, and appropriate to achieve the required returns. Key organisational policies and procedures are reviewed annually to ensure that we reassess and continue to strengthen and enhance internal controls, reporting, and governance standards.

The professional project team appointed by the Trustees to manage the building projects continues to monitor and track progress closely with regular project meetings and site visits.

Reserves and reserves policy

The Charity's reserves policy is to maintain unrestricted reserves to cover twelve month's operating expenditure, plus the additional capital projects, as listed below.

- £4.4m in unrestricted reserves to cover twelve months' operating costs.
- £8.0m from the current reserves to cover the cost of building the rear extension at 12 Stratford Place.
- £1.8m to cover the cost of refurbishing 12 Stratford Place.
- £3.0m to fund the building of an international retreat Centre on the land in Israel.

The Centre held unrestricted reserves of £54.1m (2021: £57.40) at the close of the financial year. The unrestricted reserves include land and buildings valued at £36.6m (2021: £30.8m), the remaining cash or liquid reserves of £17.5m (2021: £26.6m) is available to cover the targeted level of reserves, and funding of £17.2m for the activities and capital projects listed above.

The targeted level of unrestricted reserves as of 31 December 2022 is £17.20m. The small excess reserves are being held to cover any unforeseen (inflation, project delays, etc.) capital expenditure related to the listed projects.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Kabbalah Centre 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company, 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time this report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all appropriate steps as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 25 September 2023 and signed on their behalf by:

Gladys Obadiah
Trustee

Date: 25 September 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

KABBALAH CENTRE

Opinion

We have audited the financial statements of Kabbalah Centre (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company 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 Kabbalah Centre'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.

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Other Information

The other information comprises the information included in the trustees' annual report, other than the group 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 group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group 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.

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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group's and the parent

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charitable company'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 group or the parent 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

KABBALAH CENTRE

(A company limited by guarantee)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)
27 September 2023
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	3	1,167,337	630,233	1,797,570	3,992,413	290,280	4,282,693
Charitable activities – Kabbalistic Education		575,316	–	575,316	465,484	–	465,484
Fundraising income		209,294	–	209,294	117,097	–	117,097
Other trading activities		140,999	–	140,999	78,676	–	78,676
Investments	3	378,763	–	378,763	308,015	–	308,015
Other		–	–	–	172,441	–	172,441
Total income		2,471,708	630,233	3,101,941	5,134,125	290,280	5,424,405
Expenditure on:							
Raising funds	4b	362,867	–	362,867	224,196	–	224,196
Charitable activities		3,825,962	310,056	4,136,018	3,417,927	111,820	3,529,747
Total expenditure		4,188,829	310,056	4,498,885	3,642,123	111,820	3,753,943
Net income / (expenditure) before net gains on investments		(1,717,121)	320,177	(1,396,944)	1,492,002	178,460	1,670,462
Net gains /(losses) on investments		(2,373,198)	–	(2,373,198)	1,742,877	–	1,742,877
Net income / (expenditure) for the year	9	(4,090,319)	320,177	(3,770,142)	3,234,879	178,460	3,413,339
Transfers between funds		1,072,689	(1,072,689)	–	1,643,327	(1,643,327)	–
Net income / (expenditure) before other recognised gains and losses		(3,017,630)	(752,512)	(3,770,142)	4,878,206	(1,464,867)	3,413,339
Losses on foreign exchange translation		(40,614)	–	(40,614)	(83,947)	–	(83,947)
Gains / (losses) on revaluation of fixed assets		(300,000)	–	(300,000)	–	–	–
Other gains / (losses)		65,484	–	65,484	100,128	–	100,128
Net movement in funds		(3,292,760)	(752,512)	(4,045,272)	4,894,387	(1,464,867)	3,429,520
Reconciliation of funds:							
Total funds brought forward		57,444,345	3,706,995	61,151,340	52,549,958	5,171,862	57,721,820
Total funds carried forward		54,151,585	2,954,483	57,106,068	57,444,345	3,706,995	61,151,340

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19a to the financial statements.

As at 31 December 2022

		The group		The charity	
		2022	2021	2022	2021
	Note			£	£
Fixed assets:					
Tangible assets	10a	27,740,853	23,812,424	24,517,943	23,812,424
Intangible assets	10b	1,600,794	1,843,241	1,600,794	1,843,241
Investment properties	11	9,624,333	7,064,010	6,773,288	7,064,010
Investments	12	17,892,712	26,539,298	17,892,712	26,539,298
		56,858,692	59,258,973	50,784,736	59,258,973
Current assets:					
Stock	13	62,195	48,063	62,195	48,063
Debtors	14	464,582	1,057,806	6,538,537	1,057,806
Cash at bank and in hand		3,990,741	2,918,510	3,990,741	2,918,510
		4,517,517	4,024,378	10,591,472	4,024,378
Liabilities:					
Credit	15	(841,045)	(697,036)	(841,045)	(697,036)
Net current assets		3,676,472	3,327,342	9,750,427	3,327,342
Total assets less current liabilities		60,535,164	62,586,315	60,535,164	62,586,315
Creditors: amounts falling due after one year	16	(3,429,095)	(1,434,976)	(3,429,095)	(1,434,976)
Total net assets		57,106,068	61,151,340	57,106,068	61,151,340
Funds:	19a				
Restricted funds		2,954,483	3,706,995	2,954,483	3,706,995
Unrestricted income funds:					
Unrestricted funds		41,542,103	44,534,863	41,542,103	44,534,863
Revaluation reserve		12,609,482	12,909,482	12,609,482	12,909,482
Total unrestricted funds		54,151,585	57,444,345	54,151,585	57,444,345
Total funds		57,106,068	61,151,340	57,106,068	61,151,340

Approved by the trustees on 25 September 2023 and signed on their behalf by

Gladys Obadiah
Trustee

Consolidated Statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(3,770,142)		3,413,339	
Depreciation and amortisation charges		614,709		619,163	
Bad debt expense		–		–	
(Gains)/losses on investments		2,471,488		(1,789,978)	
Interest charge		39,237		11,446	
Tax paid		–		–	
Dividends, interest and rent from investments		(378,763)		(308,015)	
(Gains) / losses on foreign exchange		–		(16,181)	
(Increase)/decrease in stocks		(14,132)		41,346	
(Increase)/decrease in debtors		593,224		(737,548)	
Increase/(decrease) in creditors		144,009		148,757	
Net cash used in operating activities		(300,370)		1,382,329	
Cash flows from investing activities:					
Dividends, interest and rents from investments		378,733		308,015	
Purchase of fixed and intangible assets		(4,300,691)		(743,625)	
Proceeds from sale of investments		6,200,000		–	
Purchase of investments		(2,860,323)		–	
Increase in cash held by investment manager		–		–	
Net cash (used in) / provided by investing activities		(582,281)		(435,610)	
Cash flows from financing activities:					
Repayments of borrowing		(1,945,118)		(60,000)	
Loan borrowings		3,900,000		750,000	
Net cash used in financing activities		1,954,882		690,000	
Change in cash and cash equivalents in the year		1,072,231		1,636,720	
Cash and cash equivalents at the beginning of the year		2,918,510		1,281,790	
Cash and cash equivalents at the end of the year	a	3,990,741		2,918,510	

Analysis of cash and cash equivalents and of net debt

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	2,918,511	1,072,231		3,990,742
a Total cash and cash equivalents	2,918,511	1,072,231		3,990,742
Loans falling due after more than one year	1,434,976	1,994,119	–	3,429,095
Total	1,434,976	1,994,119	–	3,429,095

1 Accounting policies

a) Statutory information

Kabbalah Centre is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 12 Stratford Place, London, W1C 1BB.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and material transactions within its subsidiary Kids Creating Peace. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. A summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made during this financial year which have a significant effect on the accounts include the revaluation of the two investment properties owned by the charity.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or fund manager.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. The existing restricted funds are specifically for (a) the Bourne Mews building project and (b) the free distribution of Zohar's across Europe and Africa. Expenditure which meets this criteria is charged to the relevant fund when the activity is completed.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's operations.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

All support costs have been allocated to charitable activities. Governance costs are re-allocated to each of the activities on the basis of direct expenditure as follows:

● Raising voluntary income	16%
● Charitable activities	84%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold property	2% straight line
● Motor vehicles	33%straight line
● Fixtures and fittings	33%straight line
● Other fixed assets	33%straight line
● Sefer Torah	0%

The charity has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in the revaluation reserve.

1 Accounting policies (continued)

k) Intangible assets

Intangible assets are capitalised where the purchase price exceeds £500. These costs are amortised over the estimated useful life of 10 years.

l) Foreign currency translations

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources for the year.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market. The charity retains a small amount of inventory of books (Zohars) some of which are distributed for free as part of the Zohar project.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

u) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)**v) Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

w) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Donations	1,167,337	630,233	1,797,570	3,992,413	290,280	4,282,693
	<u>1,167,337</u>	<u>630,233</u>	<u>1,797,570</u>	<u>3,992,413</u>	<u>290,280</u>	<u>4,282,693</u>

3 Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Bank and other interest receivable	165,426	–	165,426	139,000	–	139,000
Dividends received – listed investments	63,957	–	63,957	95,565	–	95,565
Rental income from investment	149,380	–	149,380	73,450	–	73,450
	<u>378,763</u>	<u>–</u>	<u>378,763</u>	<u>308,015</u>	<u>–</u>	<u>308,015</u>

Notes to the financial statements

For the year ended 31 December 2022

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities £	Governance costs £	2022 Total £	2021 Total £
Staff costs (Note 6)	–	2,066,353	–	2,066,353	1,747,654
Depreciation and amortisation	–	614,709	–	614,709	619,163
Other direct costs	–	1,129,921.42	–	1,129,921	940,631
Investment manager fees	91,922	–	–	91,922	127,172
Investment property costs	42,483	–	–	42,483	–
Fundraising trading	227,823	59,020	–	286,844	106,127
Audit costs	–	–	21,250	21,250	19,863
Grants paid	–	245,403	–	245,403	193,333
	362,229	4,115,406	21,250	4,498,885	3,753,943
Support costs	–	–	–	–	–
Governance costs	638	20,612	(21,250)	–	–
Total expenditure 2022	362,867	4,136,018	–	4,498,885	
Total expenditure 2021	127,768	3,626,175			3,753,943

4b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities £	Governance costs £	2021 Total £
Staff costs (Note 6)	–	1,747,654	–	1,747,654
Depreciation and amortisation	–	619,163	–	619,163
Other direct costs	–	1,133,964	–	1,133,964
Investment manager fees	127,172	–	–	127,172
Fundraising trading	–	106,127	–	106,127
Audit costs	–	–	19,863	19,863
	<u>127,172</u>	<u>3,606,908</u>	<u>19,863</u>	<u>3,753,943</u>
Support costs	–	–	–	–
Governance costs	596	19,267	(19,863)	–
	<u>596</u>	<u>19,267</u>	<u>(19,863)</u>	<u>–</u>
Total expenditure 2021	<u>127,768</u>	<u>3,626,175</u>	<u>–</u>	<u>3,753,943</u>

Notes to the financial statements

For the year ended 31 December 2022

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation and amortisation	614,709	619,163
Loss or profit on disposal of fixed assets	-	-
Interest payable	39,237	11,446
Operating lease rentals payable:		
Property	290,605	193,084
Operating lease rentals receivable:		
Property	(149,380)	(73,450)
Auditor's remuneration (excluding VAT):		
Audit	21,250	15,750
Under-accrual for audit in prior year	-	766
Other services	4,959	3,347
Foreign exchange gains or losses	149,500	83,947

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,550,644	1,377,884
Social security costs	145,687	99,205
Employer's contribution to defined contribution pension schemes	49,146	28,534
Housing and other benefits	320,876	242,031
	2,066,353	1,747,654

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £70,000	2	-
£70,001 – £80,000	2	3
£80,001 – £90,000	-	3
£90,001 – £100,000	2	-
£100,001 – £110,000	2	-
£110,001 – £120,000	-	-
£120,001 – £130,000	-	-
£130,001 – £140,000	1	-
£140,001 – £150,000	-	1
£150,001 – £160,000	-	-
£160,001 – £170,000	-	-
£170,001 – £180,000	-	-
£180,001 – £190,000	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel during the year were £460,078 (2021: £384,960). We have identified the following employees as key management : Chana Grinfeld, David Grinfeld ,Avraham Nahmias & Marcus Weston due to the nature of their respective roles, decision making responsibility and seniority within the organisation as a whole. The teaching staff dedicate many years of study and spiritual practice to Kabbalah which generally extends to their entire family structure (wife & children), it is therefore common practice that a whole family unit may be involved and / or employed by the charity in some capacity from time to time.

Ruth Nahmias is related to Avraham Nahmias and she received remuneration of £36,864 (2021:£30,207) during the year. Nicole Weston is related to Marcus Weston and she also received remuneration of £53,408 (2021: £15,219) during the year.

The charity trustees were neither paid nor received any other benefits from employment with the charity during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustee expenses represent the payment or reimbursement of travel and subsistence expenses incurred by the two overseas based Trustees totalling £26,761 (2021: £7,942 for 2 Trustees). The overseas travel is necessary to provide ongoing high level operational and spiritual support to the London and European centres. The visits allow for face to face meetings with the Kabbalah community and key donors across Europe.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 38 (2021: 34).

8 Related party transactions

The amount owed by the charity to Kabbalah Centre International (KCI) was paid in full during the year, the balance at the close of the financial year was £Nil (2021: £268,005). KCI is deemed to be a related party by virtue of the two entities having common Trustees in the form of Michael Berg and Eliyahu Yardeni.

The charity granted an interest free loan to Lifestream Technology for the Soul GmbH (a Company registered in Germany when the Kabbalah Centre was set up in Berlin a few years ago) to support the establishment of a separate and independent charity in Germany. The loan due from Lifestream for Technology was paid in full during the year, the balance at the close of the financial year was £Nil (2021: £189,237).

Kabbalah Centre International (KCI) manages the printing and publication of all Kabbalah books that are distributed globally. The charity purchased books from KCI for resale to the value of £41,061 (2021: £24,328) during the year. The charity also purchased branded merchandise and products totalling £24,811 during the year.

Kabbalah Centre International (KCI) manages certain software licenses on behalf of the group. The charity paid KCI the sum of £24,013 (2021: £19,098) in respect of software and other license fees during the year.

The Kabbalah Centre launched a global membership scheme and package in 2019, community members that sign up and join the scheme have access to the services and facilities provided by the Centre across all the countries where there is a physical presence. The membership scheme is managed by Kabbalah Centre International (KCI) who in turn provide grant funding to the UK charity to cover the cost of providing the service to the members. The charity received a grant of £172,693 (2021: £164,691) during the year.

The charities primary purpose is to spread the wisdom and teachings of Kabbalah across the globe. The UK Centre works and collaborates with other established Centre's and study groups to deliver this goal. In support of this work the charity issued a grant of £197,919 (2021: £193,333) to the Kabbalah Centre, Germany and a further £47,335 (2021: £44,036) to the Institute for Kabbalah Research registered in Israel in the current financial year.

We have identified the following as related parties by virtue of the charity having common Trustees with Kabbalah Centre International, a US registered non profit: Michael Berg & Elihayu Yardeni. The mentioned Trustees claimed travel expenses of £26,826 (2021: £7,942) during the year, all of which is business related travel. The breakdown of the expenses by Trustee is: Michael Berg £13,030 (2021: £2,668), Eliyahu Yardeni £13,796 (2021: £2,362). The increased level of business travel for the Trustees was driven by the post COVID demand expressed by the Kabbalah community across the UK and Europe.

The related party disclosure extends to the spouses and family members of the Trustees mentioned above. This includes Monica Berg & Yael Yardeni who provide Teaching and other specialist services (astrology reading, publishing books etc.) related to the Kabbalistic spiritual philosophy and practices in conjunction with their partners from time to time. The above incurred travel related expenses of £3,164 (2021: £1,765) during the year. The full amount disclosed was incurred by Monica Berg only.

The Charity provides ongoing Teaching and marketing support to the independently registered entities across Europe & Africa, who may have common Trustees. The cost of the services provided are recovered as an administration fee, during 2022 the charity received administration fees of £137,446 (2021: £144,387). The fees were received from the following Kabbalah Centres, France £20,991 (2021: £11,590), South Africa £17,460 (2021: £5,745), Ivory Coast £42,632 (2021: £52,407) Poland £Nil (2021: £44,418), Italy £45,807 (2021: £30,226) and Germany £29,826 (2021: £Nil).

The Trustees also have family members who are part of the Kabbalah community and participate in various activities on the same terms and basis as the general public. The aggregated voluntary donations and purchase of event tickets from the Trustees and family members during the year was £38,399 (2021: £15,185).

Action for London (A4L) is a registered charity that provides volunteer outreach activities to less fortunate communities across London. It is a related party by virtue of trustees in common. The charity received donations amounting to £3,800 (2021: £2,810) on behalf of A4L and used these funds to pay expenses of £1,442 (2021: £3,488) during the year.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Kabbalah Limited distributes any available profits to the parent charity. Its charge to corporation tax in the year was:

	2022 £	2021 £
UK corporation tax at 19%	-	-

Notes to the financial statements

For the year ended 31 December 2022

10a Tangible fixed assets

For the charity and the group	Group Freehold property £	Group Other fixed assets £	Group Total £	Charity Freehold property £	Charity Other fixed assets £	Charity Total £
Cost or valuation						
At the start of the year	25,593,732	1,232,455	26,826,188	25,593,732	1,232,455	26,826,188
Additions in year	4,295,591	5,100	4,300,691	1,072,681	5,100	1,077,781
Disposals in year				–	–	–
At the end of the year	29,889,323	1,237,555	31,126,878	26,666,413	1,237,555	27,903,969
Depreciation						
At the start of the year	2,534,000	479,764	3,013,764	2,534,000	479,764	3,013,764
Charge for the year	362,000	10,262	372,262	362,000	10,262	372,262
At the end of the year	2,896,000	490,026	3,386,026	2,896,000	490,026	3,386,026
Net book value						
At the end of the year	26,993,323	747,529	27,740,853	23,770,413	747,529	24,517,943
At the start of the year	23,059,732	752,691	23,812,424	23,059,732	752,691	23,812,424

Land with a value of £6,000,000 (2021: £6,000,000) and cumulative building work in progress expenditure of £2,566,413 (2021: £1,493,732) is included within freehold property and not depreciated.

Any properties held at valuation were last valued in 2015. The properties are currently undergoing significant structural changes which will ultimately impact the valuation on completion of the works in 2024. The Trustees have taken the decision to hold back on any further valuation until the construction work is completed. The additions to freehold property in the charity reflect the expenditure incurred on the construction work from the start of the project.

All of the above assets are used solely for charitable purposes at this point however this may change on completion of the building work.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	9,824,198	9,824,198
Accumulated depreciation	–	–
Net book value	9,824,198	9,824,198

10b Intangible assets

	The group 2022 £	2021 £	The charity 2022 £	2021 £
Digital Kabbalistic writings by scholar Rav Ashlag				
Cost	2,424,463	2,474,834	2,424,463	2,474,834
Amortisation	(823,669)	(581,223)	(823,669)	(581,223)
Opening balance adjustment – revaluation	–	(50,370)	–	(50,370)
	1,600,794	1,843,241	1,600,794	1,843,241

11 Investment properties

	The group 2022 £	2021 £	The charity 2022 £	2021 £
Fair value at the start of the year	7,064,010	7,046,202	7,064,010	7,046,202
Additions –building work in progress	2,860,323	17,808	9,278	17,808
Revaluation during the year	(300,000)	–	(300,000)	–
Fair value at the end of the year	9,624,333	7,064,010	6,773,288	7,064,010

The properties mentioned above are Flat 46 Harley House and 29 Conway Street. The Harley House property was revalued on the 11th January 2023 by an independent professional valuer. 29 Conway Street was last independently valued on the 7th April 2020, the property was not revalued this year as the Trustees have embarked on a project to convert the property into three apartments, pending Camden Councils approval. The Trustees have once again reviewed the property market in Central London and have decided to retain the prior year valuation given the planned building work at 29 Conway Street. The additions in 2022 represent the value of investment properties purchased overseas.

Notes to the financial statements

For the year ended 31 December 2022

12 Listed investments

	The group 2022 £	2021 £	The charity 2022 £	2021 £
Fair value at the start of the year	26,539,298	24,956,056	26,539,298	24,956,056
Additions at cost	–	–	–	–
Interest & Dividends earned	193,672	232,497	193,672	232,497
Management fees paid	(91,922)	(79,586)	(91,922)	(79,586)
Funds withdrawn	(6,200,000)	–	(6,200,000)	–
Net gain / (loss) on change in fair value of private equity investments	(175,138)	(265,644)	(175,138)	(265,644)
Net gain / (loss) on change in fair value	(2,373,198)	1,695,975	(2,373,198)	1,695,975
	17,892,712	26,539,298	17,892,712	26,539,298
Fair value at the end of the year	17,892,712	26,539,298	17,892,712	26,539,298
Investments comprise:				
	The group 2022 £	2021 £	The charity 2022 £	2021 £
Listed on various Stock Exchanges	16,297,245	24,854,919	16,297,245	24,854,919
Unlisted shares and loan notes	1,595,467	1,684,379	1,595,467	1,684,379
	17,892,712	26,539,298	17,892,712	26,539,298

13 Stock

For the charity and the group

	2022 £	2021 £
Finished goods	62,195	48,063
	62,195	48,063

14 Debtors

	The group 2022 £	2021 £	The charity 2022 £	2021 £
Trade debtors	117,668	79,476	117,668	79,476
Other debtors	66,494	78,364	66,494	78,364
Amounts due from group undertakings	–	(405)	–	(405)
Prepayments and accrued income	280,420	711,133	280,420	711,133
Loan – Lifestream for Technology	–	189,237	–	189,237
Loan – Kids Creating Peace	–	–	6,073,955	–
	464,582	1,057,806	6,538,537	1,057,806

The charity has made a concessionary loan to its subsidiary, Kids Creating Peace, to allow the subsidiary to purchase two properties overseas. One property is shown within group fixed assets and will be used for the charity's charitable purposes. The other property is included within group investment assets. The concessionary loan to Kids Creating Peace carries a nil interest rate, there is no fixed repayment term, and no security has been provided.

15 Creditors: amounts falling due within one year

For the charity and the group

	2022 £	2021 £
Other loan – KCI	–	268,005
Trade creditors	83,315	77,968
Taxation and social security	279,266	266,816
Other creditors	1,420	30,677
Amounts due to associated undertakings	5,592	–
Accruals and deferred income	471,451	53,571
	841,045	697,036

Notes to the financial statements

For the year ended 31 December 2022

16 Creditors: amounts falling due after one year

For the charity and the group

	2022 £	2021 £
Barclays Bank loan – security backed lending facility	3,429,095	1,434,976
Other long term loan – KCI	–	–
	3,429,095	1,434,976

The security backed lending facility (which provides a rolling loan facility to the charity of a maximum of 50% of the value of the investment portfolio) is secured by the value of the investment portfolio under the direct management of Barclays Bank. The value of the portfolio at year end was £16,566,221 (2021: £24,854,919).

17 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from that of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund, these are allocated against unrestricted funds. At the year end the contributions amounted to £49,515 (2021: £28,534).

18a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	24,517,943	–	24,517,943
Investment properties	6,773,288	–	6,773,288
Investments	17,892,712	–	17,892,712
Intangible fixed assets	1,600,794	–	1,600,794
Net current assets	6,795,944	2,954,483	9,750,427
Long term liabilities	(3,429,095)	–	(3,429,095)
Net assets at 31 December 2022	54,151,585	2,954,483	57,106,068

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	23,812,424	–	23,812,424
Investment properties	7,064,010	–	7,064,010
Investments	26,539,298	–	26,539,298
Intangible fixed assets	1,843,241	–	1,843,241
Net current assets	(379,653)	3,706,995	3,327,342
Long term liabilities	(1,434,976)	–	(1,434,976)
Net assets at 31 December 2021	57,444,344	3,706,995	61,151,340

19a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Rav Berg Zohar project	235,352	444,367	(175,685)	–	504,034
12 Stratford Place Building Extension	3,356,673	18,000	–	(1,072,689)	2,301,984
The Karen Berg Scholarship Fund	114,970	90,846	(96,635)	–	109,181
Shabbat Fund	–	26,120	(26,120)	–	–
Tree of Life	–	14,287	(1,599)	–	12,688
Kabbalah Youth Program	–	21,285	–	–	21,285
General Publishing	–	5,311	–	–	5,311
Sukkot	–	10,017	(10,017)	–	–
Total restricted funds	3,706,995	630,233	(310,056)	(1,072,689)	2,954,483
Unrestricted funds:					
Revaluation reserve	12,909,482	–	(300,000)	–	12,609,482
General funds	44,534,863	2,537,192	(6,602,641)	1,072,689	41,542,103
Total unrestricted funds	57,444,345	2,537,192	(6,902,641)	1,072,689	54,151,585
Total funds	61,151,340	3,167,425	(7,212,697)	–	57,106,068

The narrative to explain the purpose of each fund is given at the foot of the note below.

19b Movements in funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Gains / (losses) £	At 31 December 2021 £
Restricted funds:					
Zohar project funds	171,862	97,856	(34,366)	–	235,352
12 Stratford Place Building Extension	5,000,000	–	–	(1,643,327)	3,356,673
The Karen Berg Scholarship Fund	–	170,860	(55,890)	–	114,970
Shabbat Fund	–	21,564	(21,564)	–	–
Total restricted funds	5,171,862	290,280	(111,820)	(1,643,327)	3,706,995
Unrestricted funds:					
Revaluation reserve	12,909,482	–	–	–	12,909,482
General funds	39,640,476	6,977,131	(3,726,070)	1,643,327	44,534,863
Total unrestricted funds	52,548,958	6,977,131	(3,276,070)	1,643,327	57,444,345
Total funds	57,720,820	7,267,411	(3,387,890)	–	61,151,340

Purposes of restricted funds

12 Stratford Place Building

The purpose of the restricted building fund is to primarily develop the vacant land (known as Bourne Mews) situated alongside 12 Stratford Place. The vacant land was purchased by the charity in 2011 and the Trustees have retained a long standing desire to develop the land and refurbish the existing property. The project is managed by a sub committee appointed by the Trustees and is currently on track for completion in 2024. The transfer in funds in 2022 reflects the use of funds on the building project in the year.

The Karen Berg Scholarship Fund

The Karen Berg scholarship fund continues the work of making the wisdom and tools of Kabbalah accessible without financial barriers, so that everyone is provided with the opportunity to improve their lives. The scholarship fund makes scholarships available to qualifying students.

Rav Berg Zohar Project

The Zohar project continues the work of manifesting the Rav Bergs vision of a Zohar in every home across the globe, bringing the light and the power of the Zohar to every single person in the world. It is with this vision in mind that the Centre has committed to offering thousands of Zohar's free of charge throughout the year. The major part of the current project is centred on the translation of the Zohar into French.

Shabbat Fund

The Shabbat Fund was created to essentially fund the costs associated with offering Shabbat spiritual connections to the community each week.

Tree of Life Fund

The Tree of Life Fund is a global project administered by Kabbalah Centre, Mexico with the purpose of building a vessel to honour the founders of the Kabbalah Centre at the burial site of the Rav and Karen Berg.

Kabbalah Youth Program

The Kabbalah Centre has developed a range of spiritual programs directed at the youth. The programs are designed to teach the youth about the basic Kabbalah concepts and how these can be applied to create a better future and world. The fund is to be used for the roll out of the program in Europe.

General Publishing

The Kabbalah Centre publishes a wide range of spiritual books. The publishing fund is restricted to the translation of certain titles to Italian.

Sukkot

Sukkot is one of the three major festivals in Judaism, and is both an agricultural festival of thanksgiving and a commemoration of the forty-year period during which the children of Israel wandered in the desert after leaving slavery in Egypt, living in temporary shelters as they travelled. The restricted funding is used to build a temporary shelter (Sukka) that is used for the festival.

20 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2022 £	2021 £	Equipment 2022 £	2021 £
Less than one year	331,674	225,550	–	–
One to five years	20,022	138,233	–	–
Over five years	–	–	–	–
	351,696	363,783	–	–

Notes to the financial statements

For the year ended 31 December 2022

21 Operating lease commitments receivable as a lessor

Amounts receivable by the charity under non-cancellable operating leases are as follows for each of the following periods

	Property 2022 £	2021 £
Less than one year	107,744	80,808
One to five years	118,518	242,424
Over five years	–	–
	226,262	323,232

22 Capital commitments

At the balance sheet date, the charity had committed to spend £8,120,000 (2021: £8,120,000) towards the construction of the rear extension at 12 Stratford Place (Bourne Mews development) and a further £1,865,000 for the complete refurbishment of the existing premises used by the charity. The charity has incurred project expenditure of £1,072,681 (2021: £734,604) on the Bourne Mews / Stratford Place project during this year and a further £9,278 (2021: £17,808) on the Conway Street development, the purpose of which is to convert the property into three apartments. The project will be funded from existing restricted reserves and unrestricted reserves currently held in the investment portfolio.

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

24 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022 £	2021 £
Gross income	3,101,941	5,424,405
Result for the year	(4,045,272)	3,429,520

25 Subsidiary undertaking

The charity controls Kids Creating Peace, a charity registered in Israel, due to having majority control of the board of Kids Creating Peace. Majority control was attained in 2022, before which Kids Creating Peace was not considered a subsidiary of the Kabbalah Centre. The registration number of Kids Creating Peace is 580458990. The registered office address is 14 Ben Ami Street, Tel Aviv – Yafo, 6111102.

The subsidiary is used for primary purpose charitable activities. Activities have not been consolidated on a line by line basis in the statement of financial activities as the activities of the subsidiary were immaterial to the group accounts. The only material transactions relate to the receipt of a loan from Kabbalah Centre and purchase of properties; these transactions are consolidated into the group accounts.

Lady Homa Alliance a trustee together with the Centre Manager and three Spiritual Teachers employed by the Kabbalah Centre, are also directors of the subsidiary.

Amounts owed to/from the parent undertaking are shown in note 14.

Accounts

Company registration number 03659214
Charity number: 1079796

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

KABBALAH CENTRE

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

Marcus Weston – resigned on 6th September 2021
Gladys Obadiah
Lady Homa Alliance
Rabbi Yarom Yardeni
Michael Berg
Yael Green

Company registered number

03659214

Charity registered number

1079796

Registered office

12 Stratford Place, London, W1C 1BB

Company secretary

Gladys Obadiah

Independent auditors

Sayer Vincent LLP, Invicta House, 108 – 114 Golden Lane, London, EC1Y 0TL

Fund Managers

1. Barclays Bank PLC, 1 Churchill Place, Canary Wharf, London, E15 5HP
2. Axentia Wealth Management Limited, 1 David Hameleh, Tel Aviv-Jaffa, Israel

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report, together with the audited financial statements of the Kabbalah Centre, for the year 1 January 2021 to 31 December 2021.

As the Charity qualifies as small under Section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

POLICIES AND OBJECTIVES

The Charity's objective is to make the ancient spiritual wisdom of Kabbalah more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

The Kabbalah Centre achieves the above by:

- Delivering a wide range of educational Kabbalah courses that are open to all regardless of religious, ethnic, or economic background. Educational resources include seminars, workshop experiences, online study material, virtual classrooms, and other special events. The ongoing development and delivery of the educational programmes are carried out by a dedicated and committed team of qualified Kabbalah teachers, who are also available to provide one on one support to students.
- Promoting and organising a series of spiritual events aligned to the Kabbalah calendar throughout the year. The events are open to all and provide an opportunity for ongoing spiritual development and learning whilst also assisting the Centre to raise funds to continue its charitable mission.
- Working with the wider community to deliver a range of charitable programmes. The Kabbalah Centre has created several community-focused programmes which provide direct physical support and assistance to those living in less fortunate circumstances and conditions.

STRATEGIES FOR ACHIEVING OBJECTIVES

The key overall strategy for the Kabbalah Centre is to continually expand its reach into communities across Europe and Africa.

The operational objective is to continually grow student registrations across the major cities in Europe and parts of Africa, through delivering high-quality spiritual education and instilling broader community practices that are relevant to the world in which we live today. The ultimate aim is to provide each Kabbalah student with both practical life skills and spiritual tools that will enable them to contribute to a better quality and standard of life for all humanity – the students, their families, and the wider community within which they live.

We continued to base the 2021 operational strategy around the virtual model successfully developed and implemented during the previous year due to (a) the ongoing uncertainty as a result of the COVID-19 pandemic; and (b) the lack of office and class facilities as a result of the planned development at 12 Stratford Place.

PRINCIPAL ACTIVITIES FOR ACHIEVING OBJECTIVES

The key activities aligned to the strategic objectives in this financial year were:

- The continued investment and focus on social media and digital marketing strategies to attract a worldwide audience. The Centre continued to invest in higher quality social media advertising and

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- marketing activities to identify and attract a larger cross-section of spiritually hungry students.
- The ongoing focus on enhancing the organisation's online material and range of languages to reach a global audience.
- Marketing the range of new membership programmes.
- Expanding the A4L (Action for London) volunteer programme to reach more communities in London.
- Moving ahead with the planned building project at 12 Stratford Place.

MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees ensure that the activities of the Charity are consistent with its charitable objects and aims. In setting and agreeing the annual plans the Trustees take the public benefit aims into account, as set out in the Charity Commission's general guidance on public benefit. The Trustees continue to believe that there is a clear public benefit derived from the activities of the Kabbalah Centre.

The Charity continued to provide both in-person and online educational courses, one on one spiritual support, and mentorship by the trained and experienced teaching staff throughout 2021. The focus of the Kabbalah Centre's charitable purpose is to reach more students from all levels of society who have an interest or desire to learn about spirituality; and how to understand and apply the ancient wisdom of Kabbalah to their own lives.

The Kabbalah teaching staff has developed a range of spiritual courses for the public to access. The courses start from a foundation or beginner level (Kabbalah 1); and gradually move into the more spiritually advanced or deeper levels of spiritual understanding as the student progresses from Kabbalah 1 to Kabbalah 4. In addition to the courses outlined above the offer includes more advanced courses beyond Kabbalah 4. The classes, seminars, and events offered by the Kabbalah Centre are available throughout the year to existing community members and to the general public. The study programme is structured in a way that continuously strengthens the student's spiritual growth and consciousness. It provides them with the day-to-day tools and skills to assist in achieving their life goals and positively contribute to the wider society and community, including serving as a volunteer on specific community projects. We delivered a range (K1 – K3) of Kabbalah courses to 3,914 students across the UK and Europe in 2021 and a further 132 students attended the advanced courses.

The London Centre held 156 events throughout the year which were attended by 16,386 students.

The demand for scholarships and subsidised course fees increased in 2021 as more students struggled to pay the standard course fee due to the COVID-19 pandemic. The Centre granted 745 (valued at £55,890) full scholarships to students committed to long-term study during this financial year, funded by the Karen Berg Scholarship Fund. This fund was established to continue Karen Berg's vision of making the wisdom and tools of Kabbalah accessible to all students without financial barrier.

We continued to market and grow the Onehouse Community Membership globally during the year. The Onehouse membership scheme is a key programme for the Charity, as it provides students with the ability to instantly connect with Kabbalistic tools and wisdom from anywhere in the world at any time. The student support department actively seeks to promote the membership programme and support students to chart a personal plan of study tailored to their specific needs, interests, and schedule. Teachers can connect one on one with students from anywhere in the world to advise, listen to, and support them on their spiritual path.

The Centre distributed 9,600 Zohars across the UK, Europe, and Africa in 2021. The printing and distribution costs of the Zohars are funded by donations to the Zohar Project. The Zohar Project provides the foundation and serves as an integral component of the Centre's charitable activities. The Zohar is written in the ancient language of Aramaic and contains universal wisdom that predates religion, to inspire and unify millions of people of all nationalities, faiths, and backgrounds. Rav Berg's vision was of a Zohar in every home across the globe to bring the light and power of the Zohar to all. The Zohar promotes universal principles, emphasising the profound importance of human dignity and respect, thereby fostering peace and unity amongst all people.

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The Kabbalah Centre continued to support and work with Action4London in delivering its outreach and volunteer-driven community projects across London.

Plans for future periods

The Charity continues to review its operational plan on an ongoing basis to assess how it can grow and better utilise its assets and facilities across London and Europe, to achieve a more sustainable and impactful business model whilst delivering its mission and charitable objectives. The primary goal is to spread the wisdom of Kabbalah by increasing student enrolment numbers and expanding into more communities in a sensible, organised, and financially sustainable manner.

It is envisaged that the desired growth will be achieved by:

- The investment in a new global communications and marketing strategy – expanding the global team; investing in technology and software, and in more regionally focused marketing.
- Further investment in upgrading and developing IT systems, governance processes, and internal procedures.
- Ongoing training and development of the teaching staff, recruiting and training mentors from the pool of volunteers that work with the Centre
- Developing the vacant land (Bourne Mews) and upgrading the existing building at 12 Stratford Place.
- The commercialisation and effective internal use of the digital writings purchased in 2019.

Specific Plans for the Future

1. UK Building Extension And Property Refurbishment.

The project to develop the vacant land (an estimated investment of £8.1m) and refurbish 12 Stratford Place (estimated at £2m) continued to move ahead in 2021. The project was delayed as the building contractor was unable to start with the main building work due to party wall and other agreements with neighbours, all of which took longer than anticipated to be resolved. The cumulative expenditure on the project at year-end was £1.6m (2020: £759k).

The objective is to ensure that the project is managed effectively throughout the building work, that the key risks are identified and closely monitored, and that the building is ultimately completed on time, within budget, and to the expected standard.

2. Publishing Activities

The Centre invested in the purchase of sacred Kabbalistic writings by a renowned student of Kabbalah in 2019. The writings are considered to be the central textbooks for students of Kabbalah. We anticipate that these rare and historical writings will significantly enhance the Centre's unique content offering in future years. The writings are in digital format and comprise more than 10,000 pages previously unpublished.

The Centre will continue to move forward with the publishing and distribution of the special leather-bound books.

3. European and African Operations

In order to improve operational efficiency, create cost savings, and enhance internal controls across the organisation, the Trustees decided to reorganise the Charity's management structure at the start of 2020. This reorganisation included the transfer of teachers and other staff based in Israel from Kabbalah Learning Centre Publications (registered in Israel) to the UK Charity. The support departments and overall leadership were centralised and managed from the UK.

This reorganisation has delivered significant cost savings and increased revenue, as reflected in the current year's

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results. The objective is for the Centre to continue to invest and improve the systems and operating processes as we downscale operations in certain countries (such as Poland) and expand or start up in new countries that we believe have the potential to grow.

The Trustees approved the registration of a subsidiary Charity in Spain during the year.

4. Israel Property Acquisition and Development

The Trustees have approved the proposal to purchase vacant land in Caesarea, Israel for the purposes of building a bespoke international retreat Centre in this sacred location. The retreat Centre will be designed to accommodate a minimum of 20 guests at a time, with added space and amenities to host a range of spiritual events throughout the year.

The Trustees have set aside £6.1m from the existing reserves to fund the purchase of the property and building of the retreat Centre which is expected to be completed over the next two years.

Achievements and Performance

KEY FINANCIAL PERFORMANCE INDICATORS

The Centre ended the financial year with an operating profit of £3,413,339 (2020: £1,011,848 loss). The overall accumulated reserves increased by £3,429,520 (2020: £935,349 reduction) to £61m after adjusting for foreign exchange gains and losses.

Total income increased from £2.9m in 2020 to £5.4m this year. This increase is specifically due to the receipt of a large unrestricted donation of £2.2m and the associated Gift Aid on this donation. Unrestricted income increased by 83% from £2.8m in 2020 to £5.1m this year, and restricted income increased from £118k to £290k as a result of the new restricted projects set up during the year.

As the internal reorganisation has taken shape across the Charity's operations in Europe and Africa we are gradually starting to see more consistent levels of income each year - a significant improvement from the declining trend in unrestricted donations over the last five years. The Charity continues to focus on delivering against its annual operational targets in a more structured and controlled manner which is contributing to the positive turnaround in the financial results.

The current year's operational surplus will increase the level of reserves and provide the foundation for the Charity to continue to deliver its charitable activities and the specific projects outlined in the reserves policy without any immediate financial pressure.

Expenditure on charitable activities continued to decrease by 12% (2020:24%) in this financial year from £3,980,371 to £3,514,355 in 2021.

The following factors contributed to the significant decrease in charitable expenditure during 2021:

- The wide range of savings was achieved from the reorganisation of the KCE structure and management team.
- Limited travel of teachers across Europe and Africa and hire of venues for courses and events.
- The reduced level of operational expenditure at 12 Stratford Place as the building was vacant and not in use for the entire year.

Total expenditure (including fundraising expenses) for the year decreased from £4.3m last year to £3.8m.

The organisation's investments were valued at £26,539,298 (2020: £24,956,056) at the close of the financial year. £25m (2020: £23m) of the total investments are managed by Barclays UK and invested in listed and therefore

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liquid assets. The investment portfolio managed by Barclays delivered a return of 6.73% in (2020:12.03%) over the year.

The balance of the investments is now managed by Axentia only, the value of the portfolio did not change significantly during the year. The Investment Committee continues to monitor the investments held in this portfolio and obtain further independent professional advice.

REVIEW OF ACTIVITIES

We continue to measure the organisation's progress against the following key indicators:

- The net financial results for the year and contribution towards unrestricted funds.
- The percentage growth in student numbers in London and Europe compared to worldwide growth across all locations.
- The number of Kabbalah classes delivered during the year, attendance, and student participation in the wider activities offered at the Centre.
- The increase in the number of people attending the spiritual connections and other events held at the Centre.

2021 proved to be a challenging but positive year. It was a difficult period for the Kabbalah Centre as a result of the ongoing political and economic instability across Europe following the COVID-19 pandemic. The Centre focused on manifesting its vision through the global Zohar Project and scholarship fund, delivering whilst also implementing the revised marketing strategy and investing in new marketing channels in support of its growth strategy and ambition to reach a wider audience.

The importance of strengthening the governance processes was highlighted and recognised at the start of this year. The Trustees continued to focus on implementing the necessary improvements (such as setting up two specialist sub committees with the required expertise and experience to support the Trustees in their decision making process) to the governance processes and procedures across the organisation.

INVESTMENT POLICY AND PERFORMANCE

The Charity has adopted a total return policy for the investment portfolio. The Centre's investment funds are placed with and managed by two qualified Fund Managers, who are provided with the organisation's risk profile and investment policy for overall guidance. The Investment Committee meets every quarter to review the performance of the investment portfolio and to assess the risks as markets have changed.

The Investment Committee continued to meet with the Fund Managers quarterly to review performance and agree on strategy for the next quarter.

FACTORS RELEVANT TO ACHIEVING THE OBJECTIVES

Financial Review

A summary of the financial performance for 2021 is set out in the statement of financial activities and the balance sheet on pages 10 to 14.

The organisation's consolidated income for the year increased from £2.9m in 2020 to £5.4m in 2021.

The Centre generates its income from the following sources:

- Donations – 79% (2020: 47%). The current year's income from donations includes a one-off large donation of £2.2m and a further sum of £563k received in Gift Aid.
- Course fees – 11% (2020: 16%). The decline in course income reflects the fact that scholarships were used to

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fund the fees.

- Trading activities – 1% (2020: 2%). This is in line with previous years.
- Investments – 6% (2020: 13%). The level of income from investments did not change significantly in real terms.
- Other income – 3% (2020: 23%). Last year's income included £72k received from the UK Government job retention scheme and £315k received from TfL (Transport for London) as settlement of a building claim.

This year's results continue to highlight the unpredictability of, and over-reliance on, donor income. The Trustees continue to be aware of the historical performance and the need to diversify and generate more income from trading activities, the investment portfolio, and rental income from the investment properties.

Total expenditure decreased by 11% (2020: 31% decrease) in 2021, from £4.2m in 2020 to £3.8m in 2021. The Centre continued to achieve ongoing cost savings due to the restructuring and consolidation of the KCE operations and in other areas such as travel, events, catering, building maintenance, and utilities.

This year's expenditure also includes the reversal of a prior year bad debt provision of £383k.

97% (2020: 94%) of the total annual expenditure in the year was channelled towards the organisation's charitable activities and the balance was spent on fundraising and governance-related activities.

GOING CONCERN

The Trustees are confident that the Charity has adequate resources to continue its operational activities for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Total funds increased from £57.7million in 2020 to £61.1 million in 2021. The Trustees regularly reassess the operational strategy considering the constant changes taking place in the external environment and in particular the impact of these changes on the long-term viability of the planned building works. The Trustees will continue to consult and draw on specialist advice as necessary throughout the construction of the building.

The investment portfolio has continued to perform well throughout 2021 achieving a one-year return of 6.73% (2020: 11.97%) despite the market volatility over the last two years.

The Trustees review the level of resources annually and continue to believe that the Charity is in a sound financial position with the appropriate level of unrestricted funds necessary to achieve the Charity's growth objectives and plans for the future.

MATERIAL INVESTMENTS POLICY

The Trustees continue to consult widely with a range of investment specialists to assess and understand the changing investment landscape. The investment policy is reviewed and updated as is considered necessary for the Charity given the prevailing circumstances at the time.

The Centre's investment portfolio is managed by a team of reputable and professional investment managers who report directly to the Investment Committee on a quarterly basis.

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Structure, Governance, and Management

GOVERNING DOCUMENT

Kabbalah Centre (the Charity) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 29 October 1998. It is also registered as a Charity (Charity number: 1079796) with the Charity Commission of England and Wales.

The principal object of the Charity is to advance the understanding of the ancient spiritual wisdom of the Kabbalah, to make the Kabbalah teachings more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

ORGANISATIONAL STRUCTURE

The Kabbalah Centre was founded by Rav Yehuda Ashlag in 1992 and now has locations in more than 40 cities across the globe.

Kabbalah Centre International (KCI) serves as the global Head Office or reporting Centre for Europe and South America. KCI provides ongoing strategic support to the UK Charity, the UK Charity in turn has created two operating divisions (KCL & KCE) to implement and manage the activities across the United Kingdom and other countries in Europe and Africa. The divisional operations are consolidated for accounting and reporting purposes, reporting to the UK Board. The UK Board of Trustees consists of five members, two of which also serve on the KCI Board.

KCL (the division) focuses solely on the charitable activities within the United Kingdom, whereas KCE (the division) has oversight over the operations across Europe and Africa. KCE provides the necessary operational support and guidance to the registered entities and study groups in Poland, France, Italy, Spain, Portugal, South Africa and Republic of Côte d'Ivoire.

In order to meet local governance requirements, we have registered independent legal entities in Poland, France, Italy, South Africa, and the Republic of Côte d'Ivoire, each of the mentioned countries has a Board and a local management team who report to the Trustees via the UK based management team.

The Trustees continue to recognise the potential conflict of interest issues that may arise as a result of the organisational structure outlined above. The Charity has implemented further measures to strengthen the governance procedures to meet the required standard.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The Charity appoints new Trustees by first assessing the functional skills and expertise required for the development and governance of the Kabbalah Centre and thereafter selects Trustees on that basis. The nominated new Trustee is presented to the full Board for approval and acceptance before any appointment is made.

The appointment of Trustees is governed by the Memorandum and Articles of Association. Trustee nominations are solicited internally from other current and past Trustees within the Charity and its supporters. The new Trustee is proposed, seconded, and voted in at a Board meeting.

Each new Trustee is taken through an induction programme. The programme includes briefings on their legal and ethical responsibilities as Trustees, the ethos and values of Kabbalah, and a historical overview of the organisation. The Trustees also receive the Charity Commission guidance documents and are required to read and sign the conflicts of interest and code of ethics documents.

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ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees, which must have at least three members, provides the governance, oversight, and strategic leadership of the Charity. The Board meets every three months.

REMUNERATION POLICY

The Centre aims to set remuneration levels for each position within the scale set by comparable charities, whilst being mindful of the specific range of business skills, spiritual knowledge, and commitment required to run an organisation of this nature.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied that adequate systems and procedures are in place to mitigate any exposure to the major risks identified. The Trustees and management assess the level of risk on an ongoing basis by looking at both the local UK Charity sector and global trends, the charities financial performance, how global markets are responding to changing events, and other indicators within Kabbalah Centres across the globe.

The Trustees have identified two key risks which are (1) IT security; and (2) Investment Returns. Management is tasked with ensuring that the necessary measures are in place to ensure that all IT systems are protected and regular monitoring of the investments is carried out by the Investment Committee to ensure that long-term investment returns are achieved and sustained. The investment strategy is reviewed annually to ensure that it is realistic, relevant, and appropriate to achieve the required returns. Key organisational policies and procedures are reviewed annually to ensure that we reassess and continue to strengthen and enhance internal controls, reporting, and governance standards.

Reserves and reserves policy

The Charity's reserves policy is to maintain unrestricted reserves to cover twelve month's operating expenditure, plus the additional capital projects, as listed below.

- £5.1m in unrestricted reserves to cover twelve months' operating costs.
- £8.7m from the current reserves to cover the cost of building the rear extension at 12 Stratford Place.
- £1.8m to cover the cost of refurbishing 12 Stratford Place.
- £2.8m to fund the purchase of land in Caesarea, Israel.
- £3.3m to fund the building of an international retreat Centre on the land in Israel.
- £1.1m as grant funding to support the start-up and expansion of Kabbalah operations in selected countries in Europe and Africa.

The Centre held unrestricted reserves of £57.4m (2020: £52.5) at the close of the financial year. The unrestricted reserves include land and buildings valued at £30.8m (2020: £30.4m), the remaining cash or liquid reserves of £26.6m (2020: £22.1m) are available to cover the targeted level of reserves, and funding of £22.5m for the activities and capital projects listed above.

The targeted level of unrestricted reserves as of 31 December 2021 is £22.5m. The excess reserves are being held to cover any unforeseen (inflation, project delays etc.) capital expenditure related to the listed projects.

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TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Kabbalah Centre 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company; 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time this report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all appropriate steps as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees and signed on their behalf by:

Gladys Obadiah
Trustee

Date 21 September 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

KABBALAH CENTRE

Opinion

We have audited the financial statements of Kabbalah Centre (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company 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 Kabbalah Centre'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.

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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 trustees' annual report, other than the group 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 group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group 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.

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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

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Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group's and the parent charitable company'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 group or the parent 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

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- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)
27 September 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	3	3,992,413	290,280	4,282,693	1,304,892	117,507	1,422,399
Charitable activities – Kabbalistic Education		582,581	–	582,581	456,769	–	456,769
Other trading activities		78,676	–	78,676	57,065	–	57,065
Investments	3	308,015	–	308,015	369,954	–	369,954
Other		172,441	–	172,441	615,106	–	615,106
Total income		5,134,125	290,280	5,424,405	2,803,786	117,507	2,921,293
Expenditure on:							
Raising funds	4a	127,768	–	127,768	239,400	–	239,400
Charitable activities		3,514,355	111,820	3,626,175	3,980,371	–	3,980,371
Total expenditure		3,642,123	111,820	3,753,943	4,219,770	–	4,219,770
Net income / (expenditure) before net gains on investments		1,492,002	178,460	1,670,462	(1,415,984)	117,507	(1,298,477)
Net gains on investments		1,742,877	–	1,742,877	286,629	–	286,629
Net income / (expenditure) for the year	9	3,234,879	178,460	3,413,339	(1,129,355)	117,507	(1,011,848)
Transfers between funds		1,643,327	(1,643,327)	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		4,878,206	(1,464,867)	3,413,339	(1,129,355)	117,507	(1,011,848)
Losses on foreign exchange translation		(83,947)	–	(83,947)	(5,182)	–	(5,182)
Gains / (losses) on revaluation of fixed assets		–	–	–	(770,000)	–	(770,000)
Gains / (losses) due to change in accounting estimate for fixed assets		–	–	–	637,369	–	637,369
Other gains / (losses)		100,128	–	100,128	214,312	–	214,312
Net movement in funds		4,894,387	(1,464,867)	3,429,520	(1,052,856)	117,507	(935,349)
Reconciliation of funds:							
Total funds brought forward		52,549,958	5,171,862	57,721,820	53,602,814	5,054,355	58,657,169
Total funds carried forward		57,444,345	3,706,995	61,151,340	52,549,958	5,171,862	57,721,820

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20a to the financial statements.

Balance sheet

Company no. 03659214

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets:			
Tangible assets	10a	23,812,424	23,439,253
Intangible assets	10b	1,843,241	2,144,507
Investment properties	11	7,064,010	7,046,202
Investments	12	26,539,298	24,956,056
		59,258,973	57,586,018
Current assets:			
Stock	13	48,063	89,409
Debtors	14	1,057,806	320,258
Cash at bank and in hand		2,918,510	1,281,791
		4,024,378	1,691,457
Liabilities:			
Creditors: amounts falling due within one year	15	(697,036)	(548,279)
Net current assets		3,327,342	1,143,178
Total assets less current liabilities		62,586,315	58,729,195
Creditors: amounts falling due after one year	16	(1,434,976)	(1,007,377)
Total net assets		61,151,340	57,721,819
Funds:	19a		
Restricted funds		3,706,995	5,171,862
Unrestricted income funds:			
Unrestricted funds		44,534,863	39,640,475
Revaluation reserve		12,909,482	12,909,482
Total unrestricted funds		57,444,345	52,549,957
Total funds		61,151,340	57,721,819

Approved by the trustees on 21 September 2022 and signed on their behalf by

Gladys Obadiah
Trustee

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		3,413,339		(1,011,848)	
Depreciation and amortisation charges		619,163		679,636	
Bad debt expense		–		21,108	
(Gains)/losses on investments		(1,789,978)		(1,263,925)	
Interest charge		11,446		8,928	
Tax paid		–		–	
Dividends, interest and rent from investments		(308,015)		(369,954)	
(Gains) / losses on foreign exchange		(16,181)		5,182	
(Increase)/decrease in stocks		41,346		(28,904)	
(Increase)/decrease in debtors		(737,548)		(121,861)	
Increase/(decrease) in creditors		148,757		(396,069)	
Net cash used in operating activities		1,382,329		(2,477,707)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		308,015		369,954	
Purchase of fixed and intangible assets		(743,625)		(763,878)	
Proceeds from sale of investments		–		6,747	
Purchase of investments		–		(5,000,000)	
Increase in cash held by investment manager		–		–	
Net cash (used in) / provided by investing activities		(435,610)		(5,387,177)	
Cash flows from financing activities:					
Repayments of borrowing		(60,000)		(54,320)	
Loan borrowings		750,000		–	
Net cash used in financing activities		690,000		(54,320)	
Change in cash and cash equivalents in the year		1,636,720		(7,919,204)	
Cash and cash equivalents at the beginning of the year		1,281,790		9,200,994	
Cash and cash equivalents at the end of the year	a	2,918,510		1,281,790	

Analysis of cash and cash equivalents and of net debt

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	1,281,790	1,636,721		2,918,511
a Total cash and cash equivalents	1,281,790	1,636,721		2,918,511
Loans falling due within one year	–	–	–	–
Loans falling due after more than one year	733,530	701,446	–	1,434,976
Finance lease obligations	–	–	–	–
Total	733,530	701,446	–	1,434,976

1 Accounting policies

a) Statutory information

Kabbalah Centre is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 12 Stratford Place, London, W1C 1BB.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Key judgements that the charity has made during this financial year which have a significant effect on the accounts include the revaluation of the two investment properties owned by the charity.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or fund manager.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. The existing restricted funds are specifically for (a) the Bourne Mews building project and (b) the free distribution of Zohar's across Europe and Africa. Expenditure which meets this criteria is charged to the relevant fund when the activity is completed.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's operations.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

All support costs have been allocated to charitable activities. Governance costs are re-allocated to each of the activities on the basis of direct expenditure as follows:

● Raising voluntary income	16%
● Charitable activities	84%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold property	2% straight line
● Motor vehicles	33%straight line
● Fixtures and fittings	33%straight line
● Other fixed assets	33%straight line
● Sefer Torah	0%

The charity has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in the revaluation reserve.

1 Accounting policies (continued)

k) Intangible assets

Intangible assets are capitalised where the purchase price exceeds £500. These costs are amortised over the estimated useful life of 10 years.

l) Foreign currency translations

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources for the year.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market. The charity retains a small amount of inventory of books (Zohars) some of which are distributed for free as part of the Zohar project.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

t) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade

u) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method

v) Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

w) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations	3,992,413	290,280	4,282,693	1,235,691	117,507	1,353,198
	<u>3,992,413</u>	<u>290,280</u>	<u>4,282,693</u>	<u>1,235,691</u>	<u>117,507</u>	<u>1,353,198</u>

3 Income from investments

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Bank and other interest receivable	139,000	–	139,000	112,351	–	112,351
Dividends received – listed investments	95,565	–	95,565	145,776	–	145,776
	<u>234,565</u>	<u>–</u>	<u>234,565</u>	<u>258,127</u>	<u>–</u>	<u>258,127</u>

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities £	Governance costs £	2021 Total £	2020 Total £
Staff costs (Note 6)	–	1,747,654	–	1,747,654	1,685,640
Depreciation and amortisation	–	619,163	–	619,163	616,893
Other direct costs	–	1,133,964	–	1,133,964	1,623,918
Investment manager fees	127,172	–	–	127,172	173,680
Fundraising trading	–	106,127	–	106,127	62,278
Audit costs	–	–	19,863	19,863	57,361
	127,172	3,606,908	19,863	3,753,943	4,219,770
Support costs	–	–	–	–	–
Governance costs	596	19,267	–	19,863	–
Total expenditure 2021	127,768	3,626,175	19,863	3,773,806	
Total expenditure 2020	239,400	39,800,371	–		4,219,770

4b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities £	Governance costs £	2020 Total £	2019 Total £
Staff costs (Note 6)	–	1,685,640	–	1,685,640	1,171,418
Depreciation and amortisation	–	616,893	–	616,893	541,563
Other direct costs	–	1,623,918	–	1,623,918	3,692,315
Investment manager fees	173,680	–	–	173,680	200,007
Fundraising trading	62,278	–	–	62,278	468,429
Audit costs	–	–	57,361	57,361	65,920
	235,958	3,926,452	57,361	4,219,770	6,139,652
Support costs	–	–	–	–	–
Governance costs	3,442	53,919	(57,361)	–	–
Total expenditure 2020	239,400	3,980,371	()	4,219,770	
Total expenditure 2019	980,770	5,158,882	–		6,139,652

Notes to the financial statements

For the year ended 31 December 2021

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation and amortisation	619,163	616,893
Loss or profit on disposal of fixed assets	-	(3,423)
Interest payable	11,446	8,928
Operating lease rentals payable:		
Property	193,084	162,587
Operating lease rentals receivable:		
Property	(73,450)	(111,827)
Auditor's remuneration (excluding VAT):		
Audit	15,750	22,000
Under-accrual for audit in prior year	766	22,751
Other services	3,347	12,608
Foreign exchange gains or losses	83,947	5,182

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,377,884	1,458,746
Social security costs	99,205	32,640
Employer's contribution to defined contribution pension schemes	28,534	19,228
Housing and other benefits	242,031	175,026
	1,747,654	1,685,640

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	-	3
£70,000 – £79,999	3	4
£80,000 – £89,999	3	1
£90,000 – £99,999	-	-
£100,000 – £110,000	-	1
£110,000 – £120,000	-	-
£120,000 – £130,000	-	-
£130,000 – £140,000	-	-
£140,000 – £150,000	-	1
£150,000 – £160,000	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel during the year were £384,960 (2020: £362,502). We have identified the following employees as key management : Chana Grinfeld, David Grinfeld ,Avraham Nahmias & Marcus Weston due to the nature of their respective roles, decision making responsibility and seniority within the organisation as a whole. The teaching staff dedicate many years of study and spiritual practice to Kabbalah which generally extends to their entire family structure (wife & children), it is therefore common practice that a whole family unit may be involved and / or employed by the charity in some capacity from time to time.

Ruth Nahmias is related to Avraham Nahmias and she received remuneration of £30,207 (2020:£30,292) during the year. Nicole Weston is related to Marcus Weston and she also received remuneration of £15,219 (2020: Nil) during the year.

The charity trustees were neither paid nor received any other benefits from employment with the charity during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil). We note that Marcus Weston resigned as a Trustee on the 6th September 2021 following on his relocation from the Kabbalah Centre in New York to London and was engaged as an employee of the UK charity with effect from 1 October 2021. The decision making process and appointment was communicated to the charity commission in advance as recommended in their guidelines.

Trustee expenses represent the payment or reimbursement of travel and subsistence expenses incurred by the three overseas based Trustees totalling £7,942 (2020: £9,137 for 2 Trustees). The overseas travel is necessary to provide ongoing high level operational and spiritual support to the London and European centres. The visits allow for face to face meetings with the Kabbalah community and key donors across Europe.

Notes to the financial statements

For the year ended 31 December 2021

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 34 (2020: 33).

8 Related party transactions

The charity owed Kabbalah Centre International (KCI) a sum of £268,005 (2020: £300,354) at the close of the financial year. The loan is USD denominated and adjusted for any currency fluctuation at the close of the financial year. The loan was paid back to KCI in full in February 2022. KCI is deemed to be a related party by virtue of the two entities having common Trustees in the form of Michael Berg and Eliyahu Yardeni.

The charity granted an interest free loan to Lifestream Technology for the Soul GmbH (a Company registered in Germany when the Kabbalah Centre was set up in Berlin a few years ago) to support the establishment of a separate and independent charity in Germany. At the close of the financial year the loan balance due from Lifestream for Technology amounted to £189,237 (2020: £390,662). The loan provision raised in 2019 was reversed in this financial year given the Berlin Centre's ability to repay the loan as demonstrated by the receipt of the first tranche during the year.

Kabbalah Centre International (KCI) manages the printing and publication of all Kabbalah books that are distributed globally. The charity purchased books from KCI for resale to the value of £24,328 (2020: £24,316) during the year.

Kabbalah Centre International (KCI) manages certain software licenses on behalf of the group. The charity paid KCI the sum of £19,098 (2020: £27,156) in respect of license fees during the year.

The Kabbalah Centre launched a global membership scheme and package in 2019, community members that sign up and join the scheme have access to the services and facilities provided by the Centre across all the countries where there is a physical presence. The membership scheme is managed by Kabbalah Centre International (KCI) who in turn provide grant funding to the UK charity to cover the cost of providing the service to the members. The charity received a grant of £164,691 (2020: £57,877) during the year.

The charities primary purpose is to spread the wisdom and teachings of Kabbalah across the globe. The UK Centre works and collaborates with other established Centres and study groups to deliver this goal. In support of this work the charity issued a grant of £193,333 to the Kabbalah Centre, Germany and a further £44,036 to the Institute for Kabbalah Research registered in Israel in the current financial year.

We have identified the following as related parties by virtue of the charity having common Trustees with Kabbalah Centre International, a US registered non profit: Michael Berg, Elihayu Yardeni & Marcus Weston. The mentioned Trustees claimed travel expenses of £7,942 (2020: £9,137) during the year, all of which is business related travel. The breakdown of the expenses by Trustee is: Michael Berg £2,668 (2020: £8,120), Elihayu Yardeni £2,362 (2020: £1,017) and Marcus Weston £2,911 (2020: Nil).

The related party disclosure extends to the spouses and family members of the Trustees mentioned above. This includes Monica Berg & Yael Yardeni who provide Teaching and other specialist services (astrology reading, publishing books etc) related to the Kabbalistic spiritual philosophy and practices in conjunction with their partners from time to time. The above incurred travel related expenses of £1,765 (2020: £nil) during the year. The full amount disclosed was incurred by Monica Berg only.

The Charity provides ongoing Teaching and marketing support to the independently registered entities across Europe & Africa, who may have common Trustees. The cost of the services provided are recovered as an administration fee, during 2021 the charity received administration fees of £144,387 (2020: £225,202). The fees were received from the following Kabbalah Centres, France £11,590 (2020: £6,089), South Africa £5,745 (2020: £7,873), Ivory Coast £52,407 (2020: £26,096) Poland £44,418 (2020: £95,498) and Italy £30,226 (2020: Nil).

The Trustees also have family members who are part of the Kabbalah community and participate in various activities on the same terms and basis as the general public. The aggregated voluntary donations and purchase of event tickets from the Trustees and family members during the year was £15,185 (2020: £29,073). A further one off unrestricted donation of £2.2m was received from a family member of a Trustee.

The rental agreement that was in place with the Weston family was terminated during the current financial year.

Action for London (A4L) is a registered charity that provides volunteer outreach activities to less fortunate communities across London. It is a related party by virtue of trustees in common. The charity received donations amounting to £2,810 on behalf of A4L and used these funds to pay expenses of £3,488 during the year.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Kabbalah Limited distributes any available profits to the parent charity. Its charge to corporation tax in the year was:

	2021	2020
	£	£
UK corporation tax at 19%	-	-

Notes to the financial statements

For the year ended 31 December 2021

10a Tangible fixed assets

Cost or valuation	Freehold property £	Other fixed assets £	Total £
At the start of the year	24,859,128	1,223,435	26,082,562
Additions in year	734,604	9,020	743,625
Disposals in year	–	–	–
At the end of the year	25,593,732	1,232,455	26,826,187
Depreciation			
At the start of the year	2,172,000	471,310	2,643,310
Charge for the year	362,000	8,454	370,454
At the end of the year	2,534,000	479,764	3,013,764
Net book value			
At the end of the year	23,059,732	752,691	23,812,424
At the start of the year	22,687,128	752,125	23,439,253

Land with a value of £6,000,000 (2020: £6,000,000) and cumulative building work in progress expenditure of £1,493,732 is included within freehold property and not depreciated.

Any properties held at valuation were last valued in 2015. The properties are currently undergoing significant structural changes which will ultimately impact on the valuation. The Trustees have taken the decision to hold back on any further valuation until the construction work is completed. The additions to freehold property reflect the expenditure incurred on the construction work during the year.

All of the above assets are used solely for charitable purposes at this point however this may change on completion of the building work.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £	2020 £
Cost	9,824,198	9,824,198
Accumulated depreciation	–	–
Net book value	9,824,198	9,824,198

10b Intangible assets

	2021 £	2020 £
Digital Kabbalistic writings by scholar Rav Ashlag		
Cost	2,474,834	2,474,834
Amortisation	(581,223)	(330,327)
Opening balance adjustment – revaluation	(50,370)	
	1,843,241	2,144,507

Notes to the financial statements

For the year ended 31 December 2021

11 Investment properties

	2021 £	2020 £
Fair value at the start of the year	7,046,202	7,700,000
Additions –building work in progress	17,808	116,202
Revaluation during the year	–	(770,000)
Fair value at the end of the year	<u>7,064,010</u>	<u>7,046,202</u>

The properties mentioned above are the Harley House and Conway Street properties. The properties were last valued on 25 March 2020 and 7 April 2020 respectively by an independent professional valuer. The Trustees have once again reviewed the property market in Central London post COVID and have decided to retain the prior year valuations given the current market volatility and the planned building work at 29 Conway Street.

12 Listed investments

	2021 £	2020 £
Fair value at the start of the year	24,956,056	18,692,131
Additions at cost	–	5,000,000
Interest & Dividends earned	232,497	176,319
Management fees paid	(79,586)	(71,716)
Funds withdrawn	–	(429,359)
Net gain / (loss) on change in fair value of private equity investments	(265,644)	1,302,052
Net gain / (loss) on change in fair value	1,695,975	286,629
Fair value at the end of the year	<u>26,539,298</u>	<u>24,956,056</u>

Investments comprise:

	2021 £	2020 £
Listed on various Stock Exchanges	24,854,919	23,055,242
Unlisted shares and loan notes	1,684,379	1,900,813
	<u>26,539,298</u>	<u>24,956,056</u>

13 Stock

	2021 £	2020 £
Finished goods	48,063	89,409
	<u>48,063</u>	<u>89,409</u>

14 Debtors

	2021 £	2020 £
Trade debtors	79,476	17,375
Other debtors	78,364	78,088
Amounts due from group undertakings	(405)	(291)
Prepayments and accrued income	711,133	225,086
Loan – Lifestream for Technology	189,237	–
	<u>1,057,806</u>	<u>320,258</u>

Notes to the financial statements

For the year ended 31 December 2021

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loan – KCI	268,005	26,508
Trade creditors	77,968	235,602
Taxation and social security	266,816	156,488
Other creditors	30,677	39,264
Amounts due to associated undertakings	–	1,128
Accruals and deferred income	53,571	89,290
	697,036	548,279

16 Creditors: amounts falling due after one year

	2021 £	2020 £
Barclays Bank loan – security backed lending facility	1,434,976	733,530
Other long term loan – KCI	–	273,847
	1,434,976	1,007,377

The security backed lending facility (which provides a rolling loan facility to the charity of a maximum of 50% of the value of the investment portfolio) is secured by the value of the investment portfolio under the direct management of Barclays Bank. The value of the portfolio at year end was £24,854,919 (2020:£23,055,242).

17 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from that of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund, these are allocated against unrestricted funds. At the year end the contributions amounted to £28,534 (2020: £19,228).

18a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	23,812,424	–	23,812,424
Investment properties	7,064,010	–	7,064,010
Investments	26,539,298	–	26,539,298
Intangible fixed assets	1,843,241	–	1,843,241
Net current assets	(379,653)	3,706,995	3,327,342
Long term liabilities	(1,434,976)	–	(1,434,976)
Net assets at 31 December 2021	57,444,345	3,706,995	61,151,340

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	23,439,253	–	23,439,253
Investment properties	7,046,202	–	7,046,202
Investments	24,956,056	–	24,956,056
Intangible fixed assets	2,144,507	–	2,144,507
Net current assets	(4,028,684)	5,171,862	1,143,178
Long term liabilities	(1,007,377)	–	(1,007,377)
Net assets at 31 December 2020	52,549,957	5,171,862	57,721,819

19a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Rav Berg Zohar project	171,862	97,856	(34,366)	–	235,352
12 Stratford Place Building Extension	5,000,000	–	–	(1,643,327)	3,356,673
The Karen Berg Scholarship Fund	–	170,860	(55,890)	–	114,970
Shabbat Fund	–	21,564	(21,564)	–	–
Total restricted funds	5,171,862	290,280	(111,820)	(1,643,327)	3,706,995
Unrestricted funds:					
Revaluation reserve	12,909,482	–	–	–	12,909,482
General funds	39,640,476	6,977,131	(3,726,070)	1,643,327	44,534,863
Total unrestricted funds	52,549,958	6,977,131	(3,726,070)	1,643,327	57,444,345
Total funds	57,721,820	7,267,411	(3,837,890)	–	61,151,340

The narrative to explain the purpose of each fund is given at the foot of the note below.

19b Movements in funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Gains / (losses) £	At 31 December 2020 £
Restricted funds:					
Zohar project funds	54,355	117,507	–	–	171,862
12 Stratford Place Building Extension	5,000,000	–	–	–	5,000,000
Total restricted funds	5,054,355	117,507	–	–	5,171,862
Unrestricted funds:					
Fair value reserve	–	–	–	–	–
Revaluation reserve	12,827,802	–	–	81,680	12,909,482
General funds	40,775,012	2,803,786	(3,938,323)	–	39,640,475
Total unrestricted funds	53,602,814	2,803,786	(3,938,323)	81,680	52,549,957
Total funds	58,657,169	2,921,293	(3,938,323)	81,680	57,721,819

Purposes of restricted funds

12 Stratford Place Building

The purpose of the restricted building fund is to primarily develop the vacant land (known as Bourne Mews) situated alongside 12 Stratford Place. The vacant land was purchased by the charity in 2011 and the Trustees have retained a long standing desire to develop the land and refurbish the existing property.

The Karen Berg Scholarship Fund

The Karen Berg scholarship fund continues the work of making the wisdom and tools of Kabbalah accessible without financial barriers, so that all have the opportunity to improve their lives by making scholarships available to qualifying students.

Rav Berg Zohar Project

The Zohar project continues the work of manifesting the Rav Bergs vision of a Zohar in every home across the globe, bringing the light and the power of the Zohar to every single person in the world. It is with this vision in mind that the Centre has committed to offering thousands of Zohars free of charge throughout the year.

Shabbat Fund

The Shabbat Fund was created to essentially fund the costs associated with offering shabbat spiritual connections to the community each week.

20 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	225,550	101,400	–	7,919
One to five years	138,233	94,683	–	16,645
Over five years	–	–	–	–
	363,783	196,083	–	24,564

21 Operating lease commitments receivable as a lessor

Amounts receivable by the charity under non-cancellable operating leases are as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	80,808	–
One to five years	242,424	–
Over five years	–	–
	323,232	–

22 Capital commitments

At the balance sheet date, the charity had committed to spend £8,120,000 (2020: £8,100,000) towards the construction of the rear extension at 12 Stratford Place (Bourne Mews development) and a further £1,865,000 for the complete refurbishment of the existing premises used by the charity. The charity has incurred project expenditure of £734,604 (2020: £769,127) on the Bourne Mews / Stratford Place project during this year and a further £17,808 (2020: £116,202) on the Conway Street development, the purpose of which is to change the use of the property to an HMO. The project will be funded from existing restricted reserves and unrestricted reserves currently held in the investment portfolio.

23 Post Balance Sheet Events

The Trustees approved the purchase of a vacant lot of land in Caesarea Israel for €3.4m on the 28th October. The objective is to build an international retreat centre on the property. The transaction was finally concluded in May 2022 and the purchase price settled from the charities unrestricted reserves. The building works are likely to start in 2023.

24 Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

Accounts

Company registration number 03659214
Charity number: 1079796

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

KABBALAH CENTRE

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES, AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Marcus Weston
Gladys Obadiah
Lady Homa Alliance
Rabbi Yarom Yardeni
Michael Berg
Yael Green – appointed on the 18th September 2020

Company registered number
03659214

Charity registered number

1079796

Registered office

12 Stratford Place, London, W1C 1BB

Company secretary

Gladys Obadiah

Independent auditors

Sayer Vincent LLP, Invicta House, 108 – 114 Golden Lane, London, EC1Y 0TL

Fund Managers

1. Barclays Bank PLC, 1 Churchill Place, Canary Wharf, London, E15 5HP
2. Axentia Wealth Management Limited, 1 David Hameleh, Tel Aviv-Jaffa, Israel
3. Union Bancaire Privee, UBP SA Bahnhofstrasse 1 CH -8027 Zurich, Switzerland

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Kabbalah Centre for the year 1 January 2020 to 31 December 2020.

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

POLICIES AND OBJECTIVES

The charities objective is to make the ancient spiritual wisdom of Kabbalah more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

The Kabbalah Centre achieves the above by:

- Delivering a wide range of educational Kabbalah courses that are open to all, regardless of religious, ethnic, or economic backgrounds. Educational resources include seminars, workshop experiences, online study material, virtual classrooms, and other special events. The ongoing development and delivery of the educational programs are carried out by a dedicated and committed team of qualified Kabbalah teachers who are also available to provide one on one support to students.
- Promoting and organising a series of spiritual events aligned to the Kabbalah calendar throughout the year. The events are open to all and provide an opportunity for ongoing spiritual development and learning while also assisting the Centre to raise funds to continue its charitable mission.
- Working with the wider community to deliver a range of charitable programmes. The Kabbalah Centre has created several community-focused programmes that provide direct physical support and assistance to people living in less fortunate conditions.

STRATEGIES FOR ACHIEVING OBJECTIVES

The key overall strategy for the Kabbalah Centre is to continually expand its reach into communities across Europe.

The objective is to continually grow student registrations, across the main cities in Europe and deliver high-quality spiritual education and instill community practices that are relevant to the world we live in today. The ultimate aim is to provide the students with practical life skills and spiritual tools to create a better quality of life for all of humanity – the students, their families, and the wider community within which they live.

We initially set out this year's operational strategy with the above in mind at the start of the year, however, changes were necessary as a result of the COVID pandemic, limiting travel and opportunities for class-based training. During the first quarter of 2020, the focus was on growing student registrations across all the Centres in Europe.

Following the COVID 19 travel and other restrictions, the strategy and focus from Q2 onwards was changed from a location-based educational model (with physical Centres and class attendance) to a virtual model. The change required further in-depth and urgent research into understanding the needs of the community in the midst of the global chaos and disruption brought about by the pandemic, adapting the model, and finding ways to stay relevant, stabilise and expand the online offering.

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ACTIVITIES FOR ACHIEVING OBJECTIVES

The key activities aligned to the strategic objectives in this financial year were:

- The increased investment and focus in social media and digital marketing strategies to attract a worldwide audience. The Centre opted to invest in higher quality social media advertising and marketing activities to identify and attract a larger cross-section of spiritually hungry students.
- that the Centre managed to significantly enhance its online material by featuring over 100 new topical subjects in multiple European languages. This initiative contributed to the significant increase in student enrolments and registration of new members in 2020.
- Adapting the range of membership programs to be more inclusive and fit for the present circumstances.

MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees ensure that the activities of the charity are consistent with its charitable objects and aims. In setting and agreeing on the annual plans, the Trustees take the public benefit aims into account as set out in the Charity Commission's general guidance on public benefit. The Trustees continue to believe that there is a clear public benefit derived from the activities of the Kabbalah Centre.

We continued to provide Kabbalah courses in person and online, one on one spiritual support, and mentorship by trained and experienced teachers during 2020. The Kabbalah Centre specifically adapted its model to incorporate a series of online spiritual activities reaching a global audience, during the year. The focus of the Kabbalah Centre's charitable purpose is to reach more students from all walks of life who have an interest or desire to learn about spirituality and how to practically understand and apply the ancient wisdom of Kabbalah.

The Kabbalah teaching staff has developed a range of spiritual courses for the public to access. The courses start from a foundation or beginner level (Kabbalah 1) and gradually move into the more spiritually advanced or deeper levels of spiritual understanding as the student progresses from Kabbalah 1 to Kabbalah 4. In addition to the courses outlined above the offering includes more advanced courses beyond Kabbalah 4. The classes, seminars, and events offered by the Kabbalah Centre are available throughout the year to existing community members and the general public, the purpose is to continuously strengthen the student's spiritual growth and consciousness providing them with the day to day tools and skills to achieve their life goals and contribute positively to the wider society and community including serving as a volunteer on specific community projects.

The demand for scholarships and subsidised course fees increased in 2020 as more students struggled to pay the standard course fee due to the COVID pandemic. The Centre granted 121 (valued at £72,600) full scholarships to students committed to long-term study during this financial year.

In 2020, we grew the Onehouse Community Membership globally adding a further 1,000 new members. The membership program was launched in 2019 and provides an all-in-one spiritual learning program that gives members access to all digital content as well as in-person events and classes. The Onehouse membership scheme gives students the power to instantly connect with Kabbalistic tools and wisdom from anywhere in the world at any time. The student support department exists to help students chart a personal plan of study tailored to their specific needs, interests, and schedule. Teachers connect one on one with students from anywhere in the world to advise, listen to, and support the students on their spiritual path.

The Zohar Project provides the foundation and an integral component of the Centre's charitable activities. The Zohar is written in the ancient language of Aramaic containing universal wisdom that predates religion, to inspire and unify millions of people of all nationalities, faiths, and backgrounds. The Zohar promotes universal principles, emphasising the profound importance of human dignity and respect, thereby fostering peace and unity amongst all people. The Zohar project activities were negatively impacted by the COVID restrictions, however, the charity did manage to distribute 3,343 large Zohar volumes and 10,000 pocket-size Zohars during the year.

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Giving Water is another key global project within the Kabbalah Centre. The Trustees identified that approximately 1 in 10 people across the globe lack access to clean water, which is one of life's most basic necessities. The Kabbalah Centre's new Giving Water initiative is named for its sharing capacity: For every bottle of water sold, The Kabbalah Centre provides 10 litres of clean drinking water to those in need.

The Kabbalah Centre is involved in several outreach projects together with Action4London, including providing toys and gifts at Christmas for homeless organisations and sandwich making throughout the year for homeless shelters

The Kabbalah Centre continued to push ahead with the planned publishing activities following on from the purchase of the digital writings in 2019, the inability to travel and meet with prospective publishing and distribution companies restricted the amount of progress that could be made during the year.

Plans for future periods

The Charity continues to review its operational plan on an ongoing basis to assess how it can grow and better utilise its assets and facilities across London and Europe to achieve a more sustainable and impactful business model whilst delivering its mission and charitable objectives. The primary goal is to continue to increase student enrolment numbers and to expand into more communities in a sensible, organised, and financially sustainable manner.

It is envisaged that the desired growth will be achieved by:

- The investment in a new global communications and marketing strategy – expanding the global team, investment in technology, software, and more regionally focused marketing.
- Further investment in upgrading and developing our IT systems, governance processes, and internal procedures.
- Ongoing training and development of the teaching staff, recruiting and training mentors from the pool of volunteers that work with the Centre
- Developing the vacant land (Bourne Mews) and upgrading the existing building at 12 Stratford Place.
- The commercialisation and effective internal use of the digital writings purchased in 2019.

The Charity continued to deliver online training courses throughout 2020 despite the challenges brought about by the COVID 19 pandemic. We managed to adapt the course content and teaching model from the normal classroom environment to an online offering, allowing students to register and join the course from anywhere in the world and giving them the option to only pay what they could afford. This increased student enrolments and course participation during the second half of the year.

The Teachers continued to engage with their students and connect with them online for their personal one-on-one sessions throughout the year. The management team and teaching staff will continue to reassess and adapt the operating model incorporating learning from the 2020 experience.

Specific Plans for the future

1. Building extension and property refurbishment.

The project to develop the vacant land (estimated investment of £8.1m) and refurbish 12 Stratford Place (estimated at £2m) picked up steam in the early part of 2020 but slowed down once again from April onwards due to COVID restrictions. The demolition package started and was completed by the end of the year. The cumulative expenditure on the above project at year-end amounted to £759k.

The Trustees continued to consult with a range of property experts to evaluate and reassess the building plans and the long-term viability of the project in light of COVID 19 and the expected decline for rental space in Central London over the next few years.

In addition to the above, the Centre also embarked on a building project to change the use of 29 Conway Street to an

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HMO (house in multiple occupation) which the Trustees believe will deliver a higher and more stable return in the long term. The project was driven by the desire to generate rental income from the property and diversify the charity's source of income, approximately 70% of the work at a cost of £116k was completed by year-end.

2. Publishing Activities

In 2019, the Centre invested in the purchase of sacred Kabbalistic writings by a renowned student of Kabbalah. The writings are considered to be the central textbooks for students of Kabbalah. We anticipate that these rare and historical writings will significantly enhance the Centre's unique content offering over many years.

The writings are in digital format and comprise more than 10,000 pages that have never been published.

The Centre has started working on the business plan, collaborating with independent publishing companies to translate, print, and distribute special leather-bound books from various extracts of the writings.

3. Europe & Africa Operations

In order to improve operational efficiency, create cost savings and enhance internal controls across the organisation the Trustees decided to reorganise the charity's management structure at the start of 2020. The reorganisation included the transfer of the group of teachers and other staff based in Israel from Kabbalah Learning Center Publications (registered in Israel) to the UK charity. The support departments and overall leadership were centralised and managed from the UK.

The above-mentioned reorganisation delivered cost savings of £808k and increased revenue of £263k in the first year, ongoing cost savings will be achieved as we continue to improve the systems and operating processes. The 2020 operating loss of £611k (2019: 2.1m) for the European division (KCE) represents a significant turnaround for the first time since 2016 (Average loss of £1.1m per year). The first-year results are positive and lay the foundation for the organisation to achieve its goal of breaking even within the next two years.

The Centre proceeded to register an independent legal entity in Italy during the year. We have a dedicated management team in place to oversee the operations, supported by the UK management team.

The Trustees are considering registering a charity in Spain during the year ahead.

Achievements and performance

KEY FINANCIAL PERFORMANCE INDICATORS

The Centre ended the financial year with an operating loss of £1,011,848 (2019: £2,839,335 profit) and an overall reduction in accumulated reserves of £935,349 (2019: £2,831,583 increase) after adjusting for foreign exchange gains and losses.

Total income decreased from £7.6m in 2019 to £2.9m this year. The major reason for the decline is due to the one-off restricted donation of £5m for the Bourne Mews building project received in 2019. Unrestricted income increased by 6% from £2.6m in 2019 to £2.7m this year despite the challenges and disruption brought about by COVID 19.

The charity has experienced a trend of declining unrestricted donations over the last five years. The increase in unrestricted income during this financial year is a positive turnaround from the last five year's performance

The current year's operational loss will be funded from the charities unrestricted reserves, the current level of reserves provides the foundation for the charity to continue to deliver its charitable activities and achieve its objectives without undue financial pressure.

Expenditure on charitable activities decreased by 24% from £5,158,882 last year to £3,997,095 in 2020.

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The following factors contributed to the significant decrease in charitable expenditure during 2020:

- The wide range of savings achieved from the reorganisation of the KCE structure and management team.
- Limited travel and hire of venues for courses and events.
- Reduced level of operational expenditure realised during the lockdown period.
- Reduced headcount.

The organisation's investments were valued at £24,956,056 (2018: £18,692,131) at the close of the financial year. £23m of the above-mentioned investments are managed by Barclays UK and invested in listed and therefore liquid assets. The investment portfolio managed by Barclays delivered a return of 11.97% in 2020 (7.45% over 3 years and 6.42% since inception). The Investment Committee formally started work this year. The Committee focused its efforts (a) on liquidating and transitioning the portfolio previously held with UBP & Axentia Wealth to Barclays Bank and (b) engaging with a range of UK fund managers to find a suitable fund manager as an alternative to Barclays Bank.

The UBP & Axentia portfolios did not perform favourably in 2020, the uncertainty and disruption from the COVID pandemic had a negative impact on the value of certain holdings held in the portfolio, this coincided with the Investment Committee's decision to liquidate and transfer a large portion of the investments to Barclays. The gains achieved from the Barclays portfolio were offset by the losses incurred from the above.

Cash on hand decreased from £9.2m in 2019 to £1.3m, £5m of the cash on hand at the close of last year was invested with Barclays.

REVIEW OF ACTIVITIES

We continue to measure the organisations progress against the following key indicators:

- The net financial results for the year and contribution towards unrestricted funds.
- The % growth in student numbers in London & Europe compared against the worldwide growth across all locations.
- The number of Kabbalah classes delivered during the year, attendance, and student participation in the wider activities offered at the Centre.
- The increase in the number of people attending the spiritual connections and other events held at the Centre.

2020 proved to be both a challenging but positive year and a difficult period for the Centre as a result of the political and economic instability across Europe, the Centre focused on delivering the revised marketing strategy, investing in new marketing channels in support of its growth strategy and ambition to reach a wider audience.

The importance of strengthening the governance processes was highlighted and recognised at the start of the year. The Trustees continued to focus on implementing the necessary improvements to the governance processes and procedures across the organisation. We now have the procedures in place to monitor and track related party transactions, the disclosure requirements thereof, and the management of any conflict of interests. We continue to update and report back to the charity commission in 2020 as the procedures and controls are implemented.

INVESTMENT POLICY AND PERFORMANCE

The charity has adopted a total return policy for the investment portfolio. The Centre's investment funds are placed with and managed by three qualified fund managers, who are provided with the organisations risk profile and investment policy for overall guidance. A new Investment Committee was put in place during the year which assumed the task of managing the Fund Managers performance and setting the investment strategy.

The Investment Committee continued to meet with the Fund Managers quarterly to review the performance and agree on the strategy for the next quarter.

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FACTORS RELEVANT TO ACHIEVE OBJECTIVES

Financial review

A summary of the financial performance for 2020 is set out in the statement of financial activities and the balance sheet on pages 10, to 14.

The organisation's consolidated Income for the year decreased from £7.6m in 2019 to £2.9m this year.

The Centre generates its income from the following sources

- Donations – 46% (2019: 80%). 2019 was an abnormal year as it included the one-off restricted donation of £5m representing 66% of the total income in that year. The current years 46% contribution brings the donation income in line with previous years
- Course fees – 16% (2019:10%)
- Trading activities – 2% (2019:2%)
- Investments – 13% (2019: 6%)
- Other income – 23%(2019:2%). Other income in this year includes £72k received from the UK Government job retention scheme and a further £315k building claim settled by TfL.

This year's results continue to highlight the unpredictability and over-reliance on donor income. The Trustees continue to be aware of the historical performance and the need to diversify and generate more income from trading activities, the investment portfolio, and rental income from the investment properties.

Total group expenditure decreased by 31% (2019:9% increase) in 2020, from £6.1m in 2019 to £4.2m this year. The charity managed to achieve significant cost savings mainly due to the restructuring and consolidation of the KCE operations previously based in Israel to the UK, additional cost savings were achieved in other areas such as travel, events, catering, building maintenance, utilities, and lower headcount as the organisation adapted its business model to work around the restrictions and limitations brought about by the COVID 19 pandemic.

The prior year's expenditure also included a one-off bad debt provision of £383k.

94% (2019:87%)of the total annual expenditure in the year was channeled towards the organisation's charitable activities and the balance spent on fundraising and governance-related activities.

GOING CONCERN

The Trustees are confident that the charity has adequate resources to continue its operational activities for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Total funds decreased from £58.6million last year to £57.4 million. The Trustees continue to assess the impact of the COVID 19 pandemic on the charity and wider society at large on an ongoing basis. The Trustees are regularly reassessing the operational strategy and in particular, the long-term viability of the planned building works. The Trustees will continue to take specialist advice throughout the initial construction phase.

The investment portfolio has continued to perform well throughout 2020 achieving growth of 11.97 (2019: 11.67%) despite the market volatility we have seen since March 2020.

The Trustees review the level of resources annually and despite the challenges brought about by COVID 19 continue to believe that the charity is in a sound financial position with the appropriate level of unrestricted funds necessary to achieve the charities growth objectives and plans for the future.

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MATERIAL INVESTMENTS POLICY

The Trustees continue to consult widely, with a range of investment specialists to assess and understand the changing investment landscape. The investment policy is reviewed and updated as is considered necessary for the Charity, given the prevailing circumstances at the time.

The Centre's investment portfolio is managed by a team of reputable and professional investment managers who report directly to the Investment Committee on a quarterly basis.

Structure, governance, and management

GOVERNING DOCUMENT

Kabbalah Centre (the charity) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 29 October 1998. It is also registered as a charity (charity number: 1079796) with the Charity Commission of England and Wales.

The principal object of the charity and the group is to advance the understanding and ancient spiritual wisdom of the Kabbalah, to make the Kabbalah teachings more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour, and human dignity.

ORGANISATIONAL STRUCTURE

The Kabbalah Centre was founded by Rav Yehuda Ashlag in 1992 and now has locations in more than 40 cities across the globe.

Kabbalah Centre International (KCI) serves as the global Head Office or reporting Centre for Europe & South America. KCI provides ongoing strategic support to the UK charity, the UK charity, in turn, has created two operating divisions (KCL & KCE) to implement and manage the activities across the United Kingdom and other European countries. The divisional operations are consolidated for accounting and reporting purposes, reporting to the UK Board. The UK Board of Trustees consists of six members, two of which also serve on the KCI Board.

KCL (the division) focuses solely on the charitable activities within the United Kingdom, whereas KCE (the division) has oversight over the operations across Europe and Africa. KCE provides the necessary operational support and guidance to the registered entities and study groups in Poland, France, Italy, Spain, Portugal, South Africa & Ivory Coast.

In order to meet local governance requirements, we have registered independent legal entities in Poland, France, Italy, South Africa, and the Ivory Coast, each of the mentioned countries has a Board and local management team who report to the Trustees via the UK based management team. The accounts for the above mentioned entities are not consolidated into the UK results .

The Trustees continue to recognise the potential conflict of interest issues that may arise as a result of the organisational structure outlined above. The charity has implemented further measures to strengthen the governance procedures to meet the required standard.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The Charity appoints new Trustees by firstly assessing the functional skills and expertise required for the development and governance of the Kabbalah Centre and thereafter selects Trustees on that basis. The nominated new Trustee will be presented to the full Board for approval and acceptance before any appointment is made. The appointment of Trustees is governed by the Memorandum and Articles of Association. Trustee nominations are solicited internally from other current and past Trustees within the charity and its supporters. The new trustee is

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proposed, seconded, and voted in at a Board meeting.

Each new trustee is taken through an induction programme. The programme includes briefings on their legal and ethical responsibilities as trustees, the ethos and values of Kabbalah, and a historical overview of the organisation. The Trustees also receive the charity commission guidance documents and are required to read and sign the conflicts of interest and code of ethics documents.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees, which must have at least three members, provides the governance, oversight, and strategic leadership of the Charity. The Board meets every three months.

REMUNERATION POLICY

The Centre aims to set remuneration levels for each position within the scale set by comparable charities, whilst being mindful of the specific range of business skills, spiritual knowledge, and commitment required to run an organisation of this nature.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity and the group is exposed to, in particular those related to the operations and finances of the charity and the group, and are satisfied that adequate systems and procedures are in place to mitigate any exposure to the major risks identified. The Trustees and management assess the level of risk on an ongoing basis by looking at both the local UK charity sector and global trends, the charities financial performance, how global markets are responding to changing events, and other indicators within other Kabbalah Centres across the globe.

The Trustees have identified two principal risks which are (1) IT security; and (2) Investment Returns. Management is tasked with ensuring that the necessary measures are in place to ensure that all IT systems are protected and regular monitoring of the investments is carried out by the Investment Committee to ensure that the long-term investment returns are achieved and sustained. The investment strategy is reviewed annually to ensure that it is still realistic, relevant, and appropriate to achieve the required returns. Key organisational policies and procedures are reviewed annually to ensure that we reassess and continue to strengthen and enhance internal controls, reporting, and governance standards.

Reserves and reserves policy

The Trustees believe that the Charity should hold adequate unrestricted financial reserves to meet the identified risks. In assessing the level of risk, the Trustees agreed on the following

- Twelve months operating costs (£5.1m) covered by unrestricted reserves.
- An allocation of £3m from unrestricted funds to cover the planned building works over the next two years.
- An allocation of £1.2m to cover the cost of refurbishing 12 Stratford Place.
- Grants of £1m to be provided to support the start-up and expand Kabbalah operations in selected countries in Europe and Africa.

The Centre held unrestricted reserves of £52.5m (2019: £53.6) at the close of the financial year. The unrestricted reserves include land & buildings valued at £30.2m (2019:£30.1m), the remaining cash or liquid reserves of £22.3m (2019:£23.6m) is available to cover the targeted level of reserves mentioned below.

The targeted level of unrestricted reserves as at 31 December 2020 is £10.3m. The excess reserves are being held for future projects yet to be formalised and approved by the Trustees.

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TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Kabbalah Centre 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees on 24 June 2021 and signed on their behalf by:

Gladys Obadiah
Trustee

Date 24 July 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

KABBALAH CENTRE

OPINION

We have audited the financial statements of Kabbalah Centre (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company 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 Kabbalah Centre'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.

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OTHER INFORMATION

The other information comprises the information included in the trustees' annual report, other than the group 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 group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group 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.

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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

KABBALAH CENTRE

(A company limited by guarantee)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

KABBALAH CENTRE

(A company limited by guarantee)

USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)
27 July 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

				2020	Restated		Restated
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	3	1,235,691	117,507	1,353,198	1,111,402	5,054,355	6,165,757
Charitable activities – Kabbalistic Education		456,769	–	456,769	792,936	–	792,936
Other trading activities		57,065	–	57,065	120,510	–	120,510
Investments	3	369,954	–	369,954	390,251	–	390,251
Other		684,307	–	684,307	173,107	–	173,107
Total income		2,803,786	117,507	2,921,293	2,588,205	5,054,355	7,642,561
Expenditure on:							
Raising funds	4a	239,400	–	239,400	980,770	–	980,770
Charitable activities		3,980,371	–	3,980,371	5,158,882	–	5,158,882
Total expenditure		4,219,770	–	4,219,770	6,139,652	–	6,139,652
Net income / (expenditure) before net gains / (losses) on investments		(1,415,984)	117,507	(1,298,477)	(3,551,447)	5,054,355	1,502,909
Net gains on investments		286,629	–	286,629	1,336,426	–	1,336,426
Net income / (expenditure) for the year	9	(1,129,355)	117,507	(1,011,848)	(2,215,021)	5,054,355	2,839,335
Transfers between funds			–	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		(1,129,355)	117,507	(1,011,848)	(2,215,021)	5,054,355	2,839,335
Losses on foreign exchange translation		(5,182)	–	(5,182)	(7,751)	–	(7,751)
Gains / (losses) on revaluation of fixed assets		(770,000)	–	(770,000)	–	–	–
Gains / (losses) due to change in accounting estimate for fixed assets		637,369	–	637,369	–	–	–
Other gains / (losses)		214,312	–	214,312	–	–	–
Net movement in funds		(1,052,856)	117,507	(935,349)	(2,222,772)	5,054,355	2,831,583
Reconciliation of funds:							
Total funds brought forward		53,602,814	5,054,355	58,657,169	55,825,586	–	55,825,586
Total funds carried forward		52,549,958	5,171,862	57,721,819	53,602,814	5,054,355	58,657,169

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 29a to the financial statements.

As at 31 December 2020

	Note	The group		The charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets:					
Tangible assets	10a	23,439,253	22,404,643	23,439,253	22,404,643
Intangible assets	10b	2,144,507	2,352,224	2,144,507	2,352,224
Investment properties	11	7,046,202	7,700,000	7,046,202	7,700,000
Investments	12	24,956,056	18,692,131	24,956,056	18,692,131
		57,586,018	51,148,998	57,586,018	51,148,998
Current assets:					
Stock	15	89,409	60,505	89,409	60,505
Debtors	16	320,258	198,397	320,258	198,397
Cash at bank and in hand		1,281,791	9,200,994	1,281,791	9,200,994
		1,691,457	9,459,896	1,691,457	9,459,896
Liabilities:					
Creditors: amounts falling due within one year	17	(548,279)	(1,253,465)	(548,279)	(1,253,465)
Net current assets		1,143,178	8,206,431	1,143,178	8,206,431
Total assets less current liabilities		58,729,195	59,355,429	58,729,195	59,355,429
Creditors: amounts falling due after one year	18	(1,007,377)	(698,260)	(1,007,377)	(698,260)
Total net assets		57,721,819	58,657,169	57,721,819	58,657,169
Funds:	21a				
Restricted funds		5,171,862	5,054,355	5,171,862	5,054,355
Unrestricted income funds:					
Unrestricted funds		39,640,475	40,775,012	39,640,475	40,775,012
Revaluation reserve		12,909,482	12,827,802	12,909,482	12,827,802
Total unrestricted funds		52,549,957	53,602,814	52,549,957	53,602,814
Total funds		57,721,819	58,657,169	57,721,819	58,657,169

Approved by the trustees on 24 June 2021 and signed on their behalf by

Gladys Obadiah
Trustee

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(1,011,848)		2,839,335	
Depreciation and amortisation charges		679,636		541,562	
Bad debt expense		21,108		–	
(Gains)/losses on investments		(1,263,925)		(1,336,426)	
Interest charge		8,928		11,245	
Tax paid		–		–	
Dividends, interest and rent from investments		(369,954)		(390,251)	
(Gains) / losses on foreign exchange		5,182		7,751	
(Increase)/decrease in stocks		(28,904)		246,802	
(Increase)/decrease in debtors		(121,861)		96,069	
Increase/(decrease) in creditors		(396,069)		1,286,857	
Net cash used in operating activities		(2,477,707)		3,302,944	
Cash flows from investing activities:					
Dividends, interest and rents from investments		369,954		390,251	
Purchase of fixed and intangible assets		(763,878)		(2,495,448)	
Proceeds from sale of investments		6,747		7,305,456	
Purchase of investments		(5,000,000)		–	
Increase in cash held by investment manager		–		(3,677,570)	
Net cash (used in) / provided by investing activities		(5,387,177)		1,522,689	
Cash flows from financing activities:					
Repayments of borrowing		(54,320)		(11,245)	
Net cash used in financing activities		(54,320)		(11,245)	
Change in cash and cash equivalents in the year		(7,919,204)		4,814,388	
Cash and cash equivalents at the beginning of the year		9,200,994		4,386,606	
Cash and cash equivalents at the end of the year	a	1,281,790		9,200,994	

Analysis of cash and cash equivalents and of net debt

	At 1 January 2020 £	Cash flows £	Other non- cash changes £	At 31 December 2020 £
Cash at bank and in hand	9,200,994	(7,919,204)		1,281,790
a Total cash and cash equivalents	9,200,994	(7,919,204)		1,281,790
Loans falling due within one year	375,518	(375,518)	–	–
Loans falling due after more than one year	403,427	330,103	–	733,530
Finance lease obligations	–	–	–	–
Total	778,945	(45,415)	–	733,530

1 Accounting policies

a) Statutory information

Kabbalah Centre is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is 12 Stratford Place, London, W1C 1BB.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Kabbalah Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made during this financial year which have a significant effect on the accounts include the revaluation of the two investment properties owned by the charity.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or fund manager.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. The existing restricted funds are specifically for (a) the Bourne Mews building project and (b) the free distribution of Zohar's across Europe and Africa. Expenditure which meets this criteria is charged to the relevant fund when the activity is completed.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1 Accounting policies (continued)**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's operations.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

All support costs have been allocated to charitable activities. Governance costs are re-allocated to each of the activities on the basis of direct expenditure as follows:

● Raising voluntary income	16%
● Charitable activities	84%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold property	2% straight line
● Motor vehicles	33% straight line
● Fixtures and fittings	33% straight line
● Other fixed assets	33% straight line
● Sefer Torah	0%

The charity has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

The charity has reconsidered the accounting treatment of the Sefer Torah (scrolls) given the nature and use of the assets. The current years accounts were adjusted to reflect this change in accounting estimate. The Sefer Torah are held for their contribution to Kabbalah practices, knowledge and used in worship and no longer depreciated.

Revaluation gains and losses are recognised in the revaluation reserve.

1 Accounting policies (continued)

k) Intangible assets

Intangible assets are capitalised where the purchase price exceeds £500. These costs are amortised over the estimated useful life of 10 years.

l) Foreign currency translations

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources for the year.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

o) Investments in subsidiaries

Investments in subsidiaries are at cost.

p) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market. The charity retains a small amount of inventory of books (Zohars) some of which are distributed for free as part of the Zohar project.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

u) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

v) Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Donations	1,235,691	117,507	1,353,198	1,111,402	5,054,355	6,165,757
	<u>1,235,691</u>	<u>117,507</u>	<u>1,353,198</u>	<u>1,111,402</u>	<u>5,054,355</u>	<u>6,165,757</u>

3 Income from investments

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Bank and other interest receivable	112,351	–	112,351	210,206	–	210,206
Dividends received – listed investments	145,776	–	145,776	180,045	–	180,045
	<u>258,127</u>	<u>–</u>	<u>258,127</u>	<u>390,251</u>	<u>–</u>	<u>390,251</u>

Notes to the financial statements

For the year ended 31 December 2020

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities £	Governance costs £	2020 Total £	2019 Total £
Staff costs (Note 6)	–	1,685,640	–	1,685,640	1,171,418
Depreciation and amortisation	–	616,893	–	616,893	541,563
Other direct costs	–	1,623,918	–	1,623,918	3,692,315
Investment manager fees	173,680	–	–	173,680	200,007
Fundraising trading	62,278	–	–	62,278	468,429
Audit costs	–	–	57,361	57,361	65,920
	<u>235,958</u>	<u>3,926,452</u>	<u>57,361</u>	<u>4,219,770</u>	<u>6,139,652</u>
Governance costs	<u>3,442</u>	<u>53,919</u>	<u>(57,361)</u>	<u>–</u>	<u>–</u>
Total expenditure 2020	<u>239,400</u>	<u>3,980,371</u>	<u>()</u>	<u>4,219,770</u>	
Total expenditure 2019	<u>980,770</u>	<u>5,158,882</u>	<u>–</u>		<u>6,139,652</u>

Notes to the financial statements

For the year ended 31 December 2020

4a Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities £	Governance costs £	2019 Total £	2018 Total £
Staff costs (Note 6)	–	1,171,418	–	1,171,418	1,171,448
Depreciation and amortisation	–	541,563	–	541,563	485,784
Other direct costs	270,163	3,224,505	197,647	3,692,315	3,093,698
Investment manager fees	200,007	–	–	200,007	180,434
Fundraising trading	468,429	–	–	468,429	682,335
Audit costs	–	–	65,920	65,920	21,630
	938,599	4,937,486	263,567	6,139,652	5,635,329
Governance costs	42,171	221,396	(263,567)	–	–
Total expenditure 2019	980,770	5,158,882	–	6,139,652	
Total expenditure 2018	1,079,170	4,556,159	–		5,635,329

Notes to the financial statements

For the year ended 31 December 2020

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation and amortisation	616,893	526,317
Loss or profit on disposal of fixed assets	(3,423)	–
Interest payable	8,928	11,032
Operating lease rentals payable:		
Property	162,587	137,089
Operating lease rentals receivable:		
Property	(111,827)	(164,045)
Auditor's remuneration (excluding VAT):		
Audit	22,000	37,925
Under-accrual for audit in prior year	22,751	27,995
Other services	12,608	–
Foreign exchange gains or losses	5,182	7,751

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,458,746	768,593
Social security costs	32,640	219,645
Employer's contribution to defined contribution pension schemes	19,228	13,335
Housing and other benefits	175,026	169,874
	1,685,640	1,171,448

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£50,000 – £69,999	3	1
£70,000 – £79,999	4	–
£80,000 – £89,999	1	–
£90,000 – £99,999	–	1
£100,000 – £110,00	1	–
£170,000 – £180,000	–	1
£180,001 – £190,000	–	–
£190,001 – £200,000	1	–

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £362,502 (2019: £349,244). We have identified the following employees as key management : Chana Grinfeld, David Grinfeld, Avraham Nahmias & Meir Yeshurun due to the nature of thier role and seniority within the organisation as a whole. The teaching staff dedicate many years of study and spiritual practice to Kabbalah which generally extends to their entire family structure (wife & children), it is therefore common practice that a whole family unit may be involved with the charity in some capacity from time to time.

Osnat Yeshurun is related to Meir Yeshurun and she earned a salary of £13,019 (2019:£10,516) during the year. Ruth Nahmias is related to Avraham Nahmias and she earned a salary of £30,292(2019:£23,093) during the year.

The charity trustees were neither paid nor received any other benefits from employment with the charity during the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustee expenses represent the payment or reimbursement of travel and subsistence expenses incurred by two of the three overseas based Trustees totalling £9,137 (2019: £15,986 for 2 Trustee). The overseas travel is necessary to provide ongoing high level operational and spiritual support to the London and European centres.The visits allow for face to face meetings with the Kabbalah community and key donors across Europe.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 33 (2019: 36.5).

8 Related party transactions

The charity owed Kabbalah Centre International (KCI) a sum of £300,354 (2019: £294,833) at the close of the financial year. The loan is USD denominated and adjusted for any currency fluctuation at the close of the financial year. The loan is subject to 3.25% interest per annum as reflected in the updated loan agreement which also requires that the debt be repaid in full within six years (2027). KCI is deemed to be a related party by virtue of the two entities having common Trustees in the form of Michael Berg, Eliyahu Yardeni and Marcus Weston as a KCI employee.

The charity granted an interest free loan to Lifestream Technology for the Soul GmbH (a Company registered in Germany when the Kabbalah Centre was set up in Berlin) to support the establishment of a separate and independent charity in Germany. At the close of the financial the loan balance due from Lifestream for Technology amounted to £390,662 (2019: £383,481). The loan was fully provided against in 2019 pending further review of the the Berlin Centres financial position.

Kabbalah Centre International (KCI) manages the printing and publication of all Kabbalah books that are distributed globally. The charity purchased books from KCI for resale to the value of £24,316 during the year.

The Kabbalah Centre launched a global membership scheme and package in 2019, community members that sign up and join the scheme have access to the services and facilities provided across all the countries where there is a physical presence. The membership scheme is managed by Kabbalah Centre International (KCI) who in turn provide grant funding to the UK charity to cover the cost of providing the service to the members. The charity received a grant of £57,877 (2019: \$19,697) during the year.

We have identified the following as related parties by virtue of the charity having common Trustees with Kabbalah Centre International, a US registered non profit: Michael Berg, Elihayu Yardeni & Marcus Weston. The mentioned Trustees claimed travel expenses of £9,137 (2019: £12,630) during the year, all of which is business related travel. The breakdown of the expenses by Trustee is: Michael Berg £8,120 (2019: £5,157), Elihayu Yardeni £1,017 (2019: 7,473).

The related party disclosure extends to the spouses and family members of the Trustees mentioned and include the late Karen Berg, Monica Berg & Yael Yardeni who provide Teaching and other specialist services (astrology reading, publishing books etc) related to the Kabbalistic spiritual philosophy and practices in conjunction with their partners from time to time. The above incurred travel related expenses of £ Nil (2019: £13,214) during the year split as follows, the late Karen Berg £Nil (2019: £5,050) Monica Berg £Nil (2019: £5,273) & Yael Yardeni £Nil (2019: £2,891)

The Charity provides ongoing Teaching and marketing support to the independently registered entities across Europe & Africa, who may have common Trustees. The cost of the services provided are recovered as an administration fee, during 2020 the charity received administration fees of £225,202. The fees were received from the following Centres, France (£6,089), South Africa (£7,873), Ivory Coast (£26,096) Poland (£95,498).

The Trustees also have family members who are part of the Kabbalah community and participate in various activities on the same terms and basis as the general public. The aggregated voluntary donations and purchase of event tickets from the Trustees and family members during the year was £29,073 (2018: £11,371).

The Charity entered into a one year rental agreement with the Weston family to rent a property occupied by an employee. The annual rental for the property is £31,980.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Kabbalah Limited distributes any available profits to the parent charity. Its charge to corporation tax in the year was:

	2020 £	2019 £
UK corporation tax at 19%	-	-

10a Tangible fixed assets

For the charity and the group	Freehold property £	Other fixed assets £	Total £
Cost or valuation			
At the start of the year –	24,100,000	849,335	24,949,335
Additions in year	759,128	4,750	763,878
Disposals in year	–	–	–
Increase/ (decrease) due to change in accounting estimate		386,676	386,676
Opening balance adjustment		(17,326)	(17,326)
At the end of the year	24,859,128	1,223,435	26,082,562
Depreciation			
At the start of the year –	1,748,127	796,565	2,544,692
Charge for the year	362,000	7,409	369,409
Increase/ (decrease) due to change in accounting estimate		(250,692)	
Opening balance adjustment	61,873	(81,972)	(20,099)
At the end of the year	2,172,000	471,310	2,643,310
Net book value			
At the end of the year	22,687,128	752,125	23,439,253
At the start of the year –	22,351,873	52,770	22,404,643

Land with a value of £6,000,000 (2019: £9,287,004) and building work in progress expenditure of £759,128 is included within freehold property and not depreciated.

Any properties held at valuation were last valued in 2015. The properties are currently undergoing significant structural changes which will ultimately impact on the valuation. The Trustees have taken the decision to hold back on any further valuation until the construction work is completed. The additions to freehold property reflect the expenditure incurred on the construction work during the year.

Other fixed assets include items (valued at £728,436) reclassified as heritage assets which are used in worship and not depreciated. The accounting adjustments are reflected above as a change in accounting estimate.

All of the above assets are solely used for charitable purposes.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2020 £	2019 £
Cost	9,824,198	9,824,198
Accumulated depreciation	–	(2,253,861)
Net book value	9,824,198	7,570,337

10b Intangible assets

	The group 2020 £	2019 £	The charity 2020 £	2019 £
Digital Kabbalistic writings by scholar Rav Ashlag				
Cost	2,474,834	2,429,343	2,474,834	2,429,343
Amortisation	(330,327)	(77,119)	(330,327)	(77,119)
	2,144,507	2,352,224	2,144,507	2,352,224

11 Investment properties

	The group		The charity	
	2020	restated 2019	2020	restated 2019
	£	£	£	£
Fair value at the start of the year	7,700,000	7,700,000	7,700,000	7,700,000
Additions –building work in progress	116,202	–	116,202	–
Revaluation during the year	(770,000)	–	(770,000)	–
Fair value at the end of the year	7,046,202	7,700,000	7,046,202	7,700,000

The properties mentioned above are Harley House and Conway Street properties, that were last valued on 25 March 2020 and 7 April 2020 respectively by an independent professional valuer. The trustees have since reviewed the property market in Central London and decided to adjust the property values by 10% as a result of the lower property prices after COVID 19.

The Trustees did recognise when preparing the prior year accounts, that as a result of COVID 19, property values in Central London would most likely decrease in 2020. The 2020 accounts have taken the decreased property values into account in this financial year. The Trustees will continue to monitor property values on an annual basis.

12 Listed investments

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Fair value at the start of the year	18,692,131	20,954,557	18,692,131	20,954,557
Additions at cost	5,000,000	–	5,000,000	–
Interest & Dividends earned	176,319	–	176,319	–
Management fees paid	(71,716)	–	(71,716)	–
Funds withdrawn	(429,359)	–	(429,359)	–
Disposal proceeds	1,302,052	(7,305,456)	1,302,052	(7,305,456)
Net gain / (loss) on change in fair value	286,629	1,365,460	286,629	1,365,460
	24,956,056	15,014,561	24,956,056	15,014,561
Cash held by investment broker pending reinvestment	–	3,677,570	–	3,677,570
Fair value at the end of the year	24,956,056	18,692,131	24,956,056	18,692,131

Investments comprise:

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Listed on various Stock Exchanges	23,055,242	9,505,358	23,055,242	9,505,358
Unlisted shares and loan notes	1,900,813	5,509,203	1,900,813	5,509,203
Investments in UK subsidiary	–	–	–	2
	24,956,056	15,014,561	24,956,056	15,014,563

13 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Kabbalah Limited, a company registered in England. The company number is 03795511. The registered office address is 12 Stratford Place, London, England, W1C L88.

The subsidiary discontinued its trading activities completely in 2020.

The trustees Marcus Weston and Gladys Obadiah are also directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	–	42,559
Cost of sales	–	–
Gross profit	–	42,559
Administrative expenses	–	(516,447)
Loss on ordinary activities before interest and taxation	–	(473,888)
Interest receivable and similar income	–	–
Interest payable	–	–
Loss on ordinary activities before taxation	–	(473,888)
Taxation on profit on ordinary activities	–	–
Loss for the financial year	–	(473,888)
Other comprehensive income for the year		
Currency translation differences	–	–
Total comprehensive loss for the year	–	(473,888)
Retained earnings		
Total retained earnings brought forward	(838,648)	(364,760)
Loss for the financial year	–	(473,888)
Total retained earnings carried forward	(838,648)	(838,648)
The aggregate of the assets, liabilities and reserves was:		
Assets	–	1,192
Liabilities	–	(839,840)
Reserves	–	(838,648)

Amounts owed to/from the parent undertaking are shown in note 8.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £
Gross income	2,921,293	7,648,002
Result for the year	(2,222,772)	2,831,583

15 Stock

	The group 2020 £	2019 £	The charity 2020 £	2019 £
Finished goods	89,409	60,505	89,409	60,505
	89,409	60,505	89,409	60,505

16 Debtors

	The group 2020 £	2019 £	The charity 2020 £	2019 £
Trade debtors	17,375	19,915	–	19,915
Other debtors	78,088	87,889	–	87,889
Amounts due from group undertakings	(291)	113	–	113
Prepayments and accrued income	225,086	90,480	–	90,480
	320,258	198,397	–	198,397

17 Creditors: amounts falling due within one year

	The group 2020 £	2019 £	The charity 2020 £	2019 £
RBS Bank loans	–	375,518	–	375,518
Other loan – KCI	26,508	–	26,508	–
Trade creditors	235,602	507,718	235,602	507,718
Taxation and social security	156,488	153,611	156,488	153,611
Other creditors	39,264	68,743	39,264	68,743
Amounts due to associated undertakings	1,128	43,294	1,128	43,294
Amounts due to group undertakings	–	–	–	–
Accruals and deferred income	89,290	104,581	89,290	104,581
	548,279	1,253,465	548,279	1,253,465

18 Creditors: amounts falling due after one year

	The group 2020 £	2019 £	The charity 2020 £	2019 £
Barclays Bank loan – security backed lending	733,530	403,427	733,530	403,427
Other long term loan – KCI	273,847	294,833	273,847	294,833
	1,007,377	698,260	1,007,377	698,260

The loan from RBS was paid back in full during the year. The security backed lending facility (which provides a rolling loan facility to the charity of a maximum of 50% of the value of the investment portfolio) is secured by the value of the investment portfolio under the direct management of Barclays Bank. The value of the portfolio at year end was £23,055,242.

The other long term loan with Kabbalah Centre International (KCI) is to be repaid within six years.

19 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from this of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund, these are allocated against unrestricted funds. At the year end the contributions amounted to £19,228 (2019: £13,335).

20a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	23,439,253	–	23,439,253
Investment properties	7,046,202	–	7,046,202
Investments	24,956,056	–	24,956,056
Intangible fixed assets	2,144,507	–	2,144,507
Net current assets	(4,028,684)	5,171,862	1,143,178
Long term liabilities	(1,007,377)	–	(1,007,377)
Net assets at 31 December 2020	52,549,957	5,171,862	57,721,819

20b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	22,404,643	–	22,404,643
Investment properties	7,700,000	–	7,700,000
Investments	18,692,131	–	18,692,131
Intangible fixed assets	2,352,224	–	2,352,224
Net current assets	3,152,076	5,054,355	8,206,431
Long term liabilities	(698,260)	–	(698,260)
Net assets at 31 December 2019	53,602,814	5,054,355	58,657,169

21a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Other Gains & Losses £	At 31 December 2020 £
Restricted funds:					
Zohar project funds	54,355	117,507	–	–	171,862
12 Stratford Place Building	5,000,000	–	–	–	5,000,000
Total restricted funds	5,054,355	117,507	–	–	5,171,862
Unrestricted funds:					
Fair value reserve	–	–	–	–	–
Revaluation reserve	12,827,802	–	–	81,680	12,909,482
General funds	40,775,012	2,803,786	(3,938,323)	–	39,640,475
Total unrestricted funds	53,602,814	2,803,786	(3,938,323)	81,680	52,549,957
Total funds	58,657,169	2,921,293	(3,938,323)	81,680	57,721,819

The narrative to explain the purpose of each fund is given at the foot of the note below.

21b Movements in funds (prior year)

	At 1 January 2019	Income & gains	Expenditure & losses	Gains / (losses)	At 31 December 2019
	£	£	£	£	£
Restricted funds:					
Zohar project funds	–	54,355	–	–	54,355
12 Stratford Place Building	–	5,000,000	–	–	5,000,000
Total restricted funds	–	5,054,355	–	–	5,054,355
Unrestricted funds:					
Fair value reserve	–	–	–	–	–
Revaluation reserve	12,827,802	–	–	–	12,827,802
General funds	42,997,784	3,916,880	(6,139,652)	–	40,775,012
Total unrestricted funds	55,825,586	3,916,880	(6,139,652)	–	53,602,814
Total funds	55,825,586	8,971,235	(6,139,652)	–	58,657,169

Purposes of restricted funds

The purpose of the restricted funds are to primarily develop the vacant land (known as Bourne Mews) situated alongside 12 Stratford Place. The vacant land was purchased by the charity in 2011 and the Trustees have retained a long standing desire to develop the mentioned land and refurbish the existing property occupied by the charity in order to reduce the dependency on donor income and have a more secure and consistent revenue stream in the future.

The remaining restricted funds are used for the Zohar project which involves the distribution of small Zohar's across the UK, Europe and Africa.

22 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2020	2019	Equipment 2020	2019
	£	£	£	£
Less than one year	101,400	127,196	7,919	14,115
One to five years	94,683	–	16,645	28,230
Over five years	–	–	–	–
	196,083	127,196	24,564	42,345

23 Operating lease commitments receivable as a lessor

Amounts receivable by the group under non-cancellable operating leases are as follows for each of the following periods

	Property 2020	2019
	£	£
Less than one year	–	124,800
One to five years	–	–
Over five years	–	–
	–	124,800

24 Capital commitments

At the balance sheet date, the charity had committed to spend £8,100,000 (2019: £7,200,000) towards the construction of an extension to 12 Stratford Place (Bourne Mews development) including the refurbishment of the existing premises used by the charity. The main objective for the development is to create rental space that will generate further income for the charity in the future. The charity has incurred project expenditure of £769,127 on the Bourne Mews / Stratford Place project during this year and a further £116,202 on the Conway Street development, the purpose of which is to change the use of the property to an HMO.

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital.