

**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

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

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# KABBALAH CENTRE

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# KABBALAH CENTRE

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

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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

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### **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

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### 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*

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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

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### 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

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### 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

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### **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

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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, 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

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### **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

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### 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.

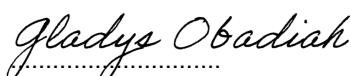
### Auditor

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

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### 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

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### **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

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**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		£	£	£	£	£	£
<b>Income and endowments from:</b>							
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
<b>Total income</b>		<b>3,049,365</b>	<b>1,752,356</b>	<b>4,801,721</b>	<b>2,471,708</b>	<b>630,233</b>	<b>3,101,941</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>4,379,894</b>	<b>519,779</b>	<b>4,899,673</b>	<b>4,188,829</b>	<b>310,056</b>	<b>4,498,885</b>
Net gains/(losses) on investments	11	1,321,306	-	1,321,306	(2,373,198)	-	(2,373,198)
<b>Net income/(expenditure)</b>		<b>(9,223)</b>	<b>1,232,577</b>	<b>1,223,354</b>	<b>(4,090,319)</b>	<b>320,177</b>	<b>(3,770,142)</b>
Transfers between funds		1,582,330	(1,582,330)	-	1,072,689	(1,072,689)	-
<b>Other recognised gains and losses:</b>							
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
<b>Net movement in funds</b>	<b>8</b>	<b>773,341</b>	<b>(349,753)</b>	<b>423,588</b>	<b>(3,292,760)</b>	<b>(752,512)</b>	<b>(4,045,272)</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 January 2023		54,151,585	2,954,483	57,106,068	57,444,345	3,706,995	61,151,340
<b>Fund balances at 31 December 2023</b>		<b>54,924,926</b>	<b>2,604,730</b>	<b>57,529,656</b>	<b>54,151,585</b>	<b>2,954,483</b>	<b>57,106,068</b>

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		£	£	£	£	£	£
<b>Income and endowments from:</b>							
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
<b>Total income</b>		<b>2,748,025</b>	<b>1,752,356</b>	<b>4,500,381</b>	<b>2,471,708</b>	<b>630,233</b>	<b>3,101,941</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>4,053,967</b>	<b>519,779</b>	<b>4,573,746</b>	<b>4,188,829</b>	<b>310,056</b>	<b>4,498,885</b>
Net gains/(losses) on investments	11	1,321,306	-	1,321,306	(2,373,198)	-	(2,373,198)
<b>Net income/(expenditure)</b>		<b>15,364</b>	<b>1,232,577</b>	<b>1,247,941</b>	<b>(4,090,319)</b>	<b>320,177</b>	<b>(3,770,142)</b>
Transfers between funds		1,582,330	(1,582,330)	-	1,072,689	(1,072,689)	-
<b>Other recognised gains and losses:</b>							
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
<b>Net movement in funds</b>	<b>8</b>	<b>1,250,537</b>	<b>(349,753)</b>	<b>900,784</b>	<b>(3,292,760)</b>	<b>(752,512)</b>	<b>(4,045,272)</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 January 2023		54,151,585	2,954,483	57,106,068	57,444,345	3,706,995	61,151,340
<b>Fund balances at 31 December 2023</b>		<b>55,402,122</b>	<b>2,604,730</b>	<b>58,006,852</b>	<b>54,151,585</b>	<b>2,954,483</b>	<b>57,106,068</b>

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 £	£
<b>Fixed assets</b>					
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	
<b>Current assets</b>					
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	
<b>Creditors: amounts falling due within one year</b>	20	(553,453)		(841,045)	
<b>Net current assets</b>		2,420,615		3,676,471	
<b>Total assets less current liabilities</b>		57,529,656		60,535,163	
<b>Creditors: amounts falling due after more than one year</b>	21	-		(3,429,095)	
<b>Net assets excluding pension liability</b>		57,529,656		57,106,068	
<b>Net assets</b>		57,529,656		57,106,068	
<b>The funds of the charity</b>					
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	£	£	£	£
<b>Fixed assets</b>					
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
			<u>49,426,562</u>		<u>50,784,736</u>
<b>Current assets</b>					
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	
		<u>9,064,878</u>		<u>10,591,472</u>	
<b>Creditors: amounts falling due within one year</b>	20	(484,588)		(841,045)	
<b>Net current assets</b>			<u>8,580,290</u>		<u>9,750,427</u>
<b>Total assets less current liabilities</b>			<u>58,006,852</u>		<u>60,535,163</u>
<b>Creditors: amounts falling due after more than one year</b>	21		-	(3,429,095)	
<b>Net assets excluding pension liability</b>			<u>58,006,852</u>		<u>57,106,068</u>
<b>Net assets</b>			<u><u>58,006,852</u></u>		<u><u>57,106,068</u></u>
<b>The funds of the charity</b>					
Restricted income funds	23		2,604,730		2,954,483
Unrestricted funds			55,402,122		54,151,585
			<u>58,006,852</u>		<u>57,106,068</u>

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 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(196,514)		(300,370)
<b>Investing activities</b>					
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	
<b>Net cash generated from/(used in) investing activities</b>			2,139,776		(582,281)
<b>Financing activities</b>					
Proceeds from new bank loans		-		3,900,000	
Repayment of bank loans		(3,471,369)		(1,945,118)	
<b>Net cash (used in)/generated from financing activities</b>			(3,471,369)		1,954,882
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1,528,107)		1,072,231
Cash and cash equivalents at beginning of year			3,990,741		2,918,510
<b>Cash and cash equivalents at end of year</b>			2,462,634		3,990,741

# KABBALAH CENTRE

## CHARITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(294,862)		(6,374,325)
<b>Investing activities</b>					
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	
<b>Net cash generated from investing activities</b>			2,167,633		5,491,674
<b>Financing activities</b>					
Proceeds from new bank loans		-		3,900,000	
Repayment of bank loans		(3,471,369)		(1,945,118)	
<b>Net cash (used in)/generated from financing activities</b>			(3,471,369)		1,954,882
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1,598,598)		1,072,231
Cash and cash equivalents at beginning of year			3,990,741		2,918,510
<b>Cash and cash equivalents at end of year</b>			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
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# 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 £
<b>Direct costs</b>				
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>
<b>Share of support and governance costs (see note 7)</b>				
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>
<b>Analysis by fund</b>				
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
<b>Analysed between:</b>		
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 £
<b>Cost</b>	
At 1 January 2023 and 31 December 2023	2,424,463
<b>Amortisation and impairment</b>	
At 1 January 2023	823,669
Amortisation charged for the year	243,098
At 31 December 2023	1,066,767
<b>Carrying amount</b>	
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 £
<b>Cost</b>						
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
<b>Depreciation and impairment</b>						
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
<b>Carrying amount</b>						
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 £
<b>Fair value</b>		
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)	-
	<hr/>	<hr/>
At 31 December 2023	9,561,366	6,907,151
	<hr/>	<hr/>

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 £
<b>Cost or valuation</b>			
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)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	14,265,744	2,051,339	16,317,083
	<hr/>	<hr/>	<hr/>
<b>Impairment</b>			
At 1 January 2023	-	579,202	579,202
Impairment losses	-	313,609	313,609
	<hr/>	<hr/>	<hr/>
At 31 December 2023	-	892,811	892,811
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 December 2023	14,265,744	1,158,528	15,424,272
	<hr/>	<hr/>	<hr/>
At 31 December 2022	16,297,245	1,595,467	17,892,712
	<hr/>	<hr/>	<hr/>



# 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 £
<b>Amounts falling due within one year:</b>				
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>
<b>Amounts falling due after more than one year:</b>				
	2023 £	2022 £	2023 £	2022 £
Amounts owed by subsidiary undertakings	-	-	6,164,599	-
	<u>-</u>	<u>-</u>	<u>6,164,599</u>	<u>-</u>
<b>Total debtors</b>	<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

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### 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 £
<b>At 31 December 2023:</b>			
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 £
<b>At 31 December 2022:</b>			
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
	£	£	£
<b>At 31 December 2023:</b>			
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
	£	£	£
<b>At 31 December 2022:</b>			
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
<b>Cash absorbed by operations</b>	<b>(814,293)</b>	<b>(6,486,979)</b>

### 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
<b>Cash absorbed by operations</b>	<b>(196,515)</b>	<b>(300,370)</b>	<b>294,862</b>	<b>6,374,325</b>



# 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>