

Charity registration number 1143110

Company registration number 07535303 (England and Wales)

THE KNIGHTLAND FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

THE KNIGHTLAND FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M Benedikt	(Appointed 26 April 2023)
	Mr S R Derbaremdiger	(Appointed 26 April 2023)
	Mr S B Feldman	(Appointed 26 April 2023)
	Mrs B R Feldman	(Appointed 26 April 2023)
	Mr S S Zaltzman	(Appointed 26 April 2023)
Charity number	1143110	
Company number	07535303	
Registered office	Unit 1 Guard House Grosvenor Way London England E5 9XE	
Auditor	Glazers 843 Finchley Road NW11 8NA	
Accountants	Precision Ltd 32 Castlewood Road N16 6DW	
Bankers	Barclays Bank PLC Leicester LE87 2BB	
	Lloyds Bank PLC PO Box 1000 BX1 1LT	

THE KNIGHTLAND FOUNDATION

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THE KNIGHTLAND FOUNDATION

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

The trustees present their annual report and financial statements for the year ended 31 January 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).

Objectives and activities

The objectives of the charity are to support the activities of religious Jewish organisations both in the UK and abroad especially those that promote Orthodox Jewish religion, education, relief of poverty and other welfare activities.

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

Grants are made to charitable institutions and organisations which accord with the objects of the charity. The trustees consider all requests which they receive and make donations based on the level of funds available.

In making grants and donations, the Trustees use their personal knowledge of the institution, its representatives, operational efficiency and reputation. The Trustees monitor the application of the grants and donations by meeting with representatives of the institutions and obtain information as to the utilisation of funds.

Achievements and performance

During the year the charity has continued its philanthropic activities and has maintained its support of religious, educational and other charitable institutions in Great Britain.

During the year, the charity distributed grants of £790,320 (2023: NIL).

The financial results of the charity and its subsidiary undertakings for the year ended 31 January 2024 are fully reflected in the attached Financial Statements together with the Notes thereon.

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the Trustees see fit.

The Trustees continue to assess the charity's investment portfolio and seek new investment opportunities to ensure that the charity's asset base is maintained and suitable surpluses are generated.

The Trustees are satisfied with the return on investments achieved during the year and are confident that the charity has adequate reserves to fulfil its charitable obligations.

Financial review

The charity received £833,405 (2023: £697,899) in donations and investment income during the year, and £1,534,169 (2023: £450,324) was paid out by way of grants and support costs.

The financial position of the charity is satisfactory. The charity's statement of financial activities shows total funds of £4,831,216, of which £638,807 are free reserves.

The Trustees have made appropriate enquiries and have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the twelve months from the date that the accounts are signed. 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.

THE KNIGHTLAND FOUNDATION

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

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which will not impinge on its ability to support Charitable Institutions.

The Charitable Company holds long term investments to allow it to generate sufficient income on an ongoing basis. The reserves are represented by unrestricted funds arising from past operating results. The Trustees are satisfied that the present balance of distributable reserves is sufficient to support anticipated expenditure and will be reviewed periodically by the trustees of the charity.

Structure, governance and management

The charity is a company limited by guarantee incorporated on 18 February 2011 and is governed by its Memorandum and Articles of Association adopted by special resolution on the 11 January 2023.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr U S Kaplan	(Resigned 26 April 2023)
Mr S Lew	(Resigned 26 April 2023)
Mr B S Ehrenfeld	(Resigned 26 April 2023)
Mr M Benedikt	(Appointed 26 April 2023)
Mr S R Derbaremdiger	(Appointed 26 April 2023)
Mr S B Feldman	(Appointed 26 April 2023)
Mrs B R Feldman	(Appointed 26 April 2023)
Mr S S Zaltzman	(Appointed 26 April 2023)
Mr J Friedman	(Resigned 3 November 2023)

The charity commission appointed joint interim managers, John Dickinson and Joseph Colley, of Carter Backer Winter LLP, on 7 April 2021 to help address concerns at the charity that were raised during a statutory inquiry.

The interim managers resigned during the year further to the charity commission satisfying themselves with the administration of the charity under the auspices of the new board of Trustees on the 31 October 2023.

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. The key management personnel are the trustees. The charity also receives support from third parties, none of whom have management duties.

Where needed, the board will seek to appoint new trustees. New trustees are selected based on the suitability of their skills, knowledge and experience to the operations of the charity. They are appointed in accordance with the articles and association. The charity has a welcome pack for the induction of new trustees, and further training is provided where appropriate.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

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

THE KNIGHTLAND FOUNDATION

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

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.



.....
Mrs B R Feldman

Trustee

Date: Aug. 12, 2024.....

THE KNIGHTLAND FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JANUARY 2024

The trustees, who are also the directors of The Knightland Foundation 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; 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.

THE KNIGHTLAND FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE KNIGHTLAND FOUNDATION

Opinion

We have audited the financial statements of The Knightland Foundation (the 'charity') for the year ended 31 January 2024 which comprise the statement of financial activities, 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 January 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

THE KNIGHTLAND FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KNIGHTLAND FOUNDATION

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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) 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.

THE KNIGHTLAND FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KNIGHTLAND FOUNDATION

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 the Charities Act 2011.

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;
- Reading minutes of meetings of those charged with governance.
- 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.

Use of our report

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



Glazers

**Chartered Accountants
Statutory Auditor**

Aug 12, 2024

843 Finchley Road
London
NW11 8NA

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

THE KNIGHTLAND FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Income from:</u>			
Donations and legacies	3	41,145	74,533
Investments	4	792,260	623,366
Total income		<u>833,405</u>	<u>697,899</u>
<u>Expenditure on:</u>			
Raising funds	5	<u>370,062</u>	<u>307,900</u>
Charitable activities	6	<u>1,164,107</u>	<u>142,424</u>
Total expenditure		<u>1,534,169</u>	<u>450,324</u>
Net (expenditure)/income for the year/ Net movement in funds		(700,764)	247,575
Fund balances at 1 February 2023		<u>5,531,980</u>	<u>5,284,405</u>
Fund balances at 31 January 2024		<u><u>4,831,216</u></u>	<u><u>5,531,980</u></u>

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.

THE KNIGHTLAND FOUNDATION

BALANCE SHEET

AS AT 31 JANUARY 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Investment property	12	8,500,000		8,500,000	
Investments	13	151		201	
		<u>8,500,151</u>		<u>8,500,201</u>	
Current assets					
Debtors	14	936,748		963,336	
Cash at bank and in hand		167,373		864,387	
		<u>1,104,121</u>		<u>1,827,723</u>	
Creditors: amounts falling due within one year	16	<u>(465,314)</u>		<u>(328,732)</u>	
Net current assets		638,807		1,498,991	
Total assets less current liabilities		9,138,958		9,999,192	
Creditors: amounts falling due after more than one year	17	<u>(4,307,742)</u>		<u>(4,467,212)</u>	
Net assets		<u>4,831,216</u>		<u>5,531,980</u>	
Income funds					
Unrestricted funds		4,831,216		5,531,980	
		<u>4,831,216</u>		<u>5,531,980</u>	

THE KNIGHTLAND FOUNDATION

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2024

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on Aug 12, 2024



Mrs B R Feldman

Trustee

Company registration number 07535303

THE KNIGHTLAND FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(1,336,056)		239,801
Investing activities					
Investment income received		792,260		623,366	
Net cash generated from investing activities			792,260		623,366
Financing activities					
Repayment of bank loans		(153,218)		(147,421)	
Net cash used in financing activities			(153,218)		(147,421)
Net (decrease)/increase in cash and cash equivalents			(697,014)		715,746
Cash and cash equivalents at beginning of year			864,387		148,641
Cash and cash equivalents at end of year			167,373		864,387

THE KNIGHTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2024

1 Accounting policies

Charity information

The Knightland Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1 Guard House, Grosvenor Way, London, E5 9XE, England.

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 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.

THE KNIGHTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 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.

1.6 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 profit or loss.

1.7 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.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Cash and cash equivalents

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

1.9 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.

THE KNIGHTLAND FOUNDATION

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

1 Accounting policies

(Continued)

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.

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.

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

Property valuation

The valuation of the charity's investment property is inherently subjective, depending on many factors including the nature of the property, its location and expected future net rental values. Therefore the valuation is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

Trade and other debtors

Management uses available evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying value of any amounts due to the charitable company.

THE KNIGHTLAND FOUNDATION

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Donations and gifts	-	12,166
Donations in kind	41,145	62,367
	<u>41,145</u>	<u>74,533</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Rental income	783,675	623,366
Interest receivable	8,585	-
	<u>792,260</u>	<u>623,366</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Property Expenses	69,805	28,142
Insurance recharges	(47,208)	(48,216)
Repairs & Maintenance	44,405	68,525
Interest Payable and other Finance Costs	222,668	197,082
Property management	78,368	62,367
	<u>370,062</u>	<u>307,900</u>

THE KNIGHTLAND FOUNDATION

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

6 Charitable activities

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
Depreciation and impairment	50	-
Grant funding of activities (see note 7)	790,320	-
Share of governance costs (see note 8)	373,737	142,424
	<u>1,164,107</u>	<u>142,424</u>

7 Grants payable

	Charitable Expenditure 2024 £	2023 £
Grants to institutions:		
Educational Academies Support	50,000	-
Friends of Beis Chinuch Lebonos Trust	60,000	-
Chevras Mo'oz Ladol	100,400	-
Kollel Veyoel Moshe	60,000	-
Mars Org. Ltd	49,920	-
Mekadshei Shevei Charitable Trust	30,000	-
Mosdos Hatorah Pnei Menachem Ltd	150,000	-
One Heart - Lev Echod	50,000	-
Satmar Kolel	60,000	-
The Z.S.V Trust	50,000	-
TS Trust	30,000	-
UTRY	50,000	-
Yad Vochessed Association Ltd	50,000	-
	<u>790,320</u>	<u>-</u>

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THE KNIGHTLAND FOUNDATION

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

8 Support costs

	Support costs £	Governance costs £	2024 £	2023 £
Audit fees	-	8,000	8,000	22,200
Accountancy	-	18,900	18,900	-
Legal and professional	-	137,508	137,508	25,099
Bad Debt	-	209,051	209,051	335
Bank Charges	-	278	278	359
Other Governance Costs	-	-	-	94,431
	-	373,737	373,737	142,424
Analysed between Charitable activities	-	373,737	373,737	142,424

Governance costs includes payments to the auditors of £8,000 (2023- £22,000) for audit fees.

9 Trustees

During the year the charity paid professional fees of £28,500 to a company where one of the trustees is the sole shareholder.

Other than the above mentioned transaction none of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

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

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Investment property

	2024 £
Fair value At 1 February 2023 and 31 January 2024	8,500,000

THE KNIGHTLAND FOUNDATION

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

12 Investment property

(Continued)

All investments shown above are held at valuation.

The above valuations are based on a valuation of the charity's commercial property portfolio carried out on the 24 August 2022 by Lambert Smith Hampton Chartered Surveyors, who are not connected with the charity. The trustees are of the opinion that there has been no material change between the date of the valuation and the 31 January 2024.

The historical cost of the properties at 31 January 2024 is £7,275,766 (2023: £7,275,766)

13 Fixed asset investments

Other
investments

Cost or valuation

At 1 February 2023 & 31 January 2024

201

Impairment

At 1 February 2023

-

Impairment losses

50

At 31 January 2024

50

Carrying amount

At 31 January 2024

151

At 31 January 2023

201

	Notes	2024 £	2023 £
Other investments comprise:			
Investments in subsidiaries	20	151	201

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	113,762	86,573
Amounts owed by fellow group undertakings	803,253	857,904
Other debtors	19,733	18,859
	936,748	963,336

THE KNIGHTLAND FOUNDATION

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

14 Debtors

(Continued)

Amounts due from related companies represents amounts of £496,208 (2023: £341,808) due from Bellview Management Ltd, £132,045 (2023: £132,045) due from Canvey Housing Ltd and £175,000 (2023: £384,051) from Rowe Lane Estates Ltd .

The loans are interest free (with the exception of £154,400 from Bellview Management Ltd which bears interest at 6% p.a.), the loans are all repayable on demand.

In the opinion of the Trustees the amounts are fully recoverable.

15 Loans and overdrafts

	2024 £	2023 £
Bank loans	4,467,405	4,620,623
Payable within one year	159,663	153,411
Payable after one year	4,307,742	4,467,212

The long-term loans are secured by fixed charges over the company's investment properties.

The rates payable on the loans are fixed partly at 3.94% and partly at 3.1% until expiry in July 2025.

16 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	15	159,663	153,411
Other taxation and social security		42,682	19,934
Trade creditors		66,355	11,679
Other creditors		65,461	41,197
Accruals and deferred income		131,153	102,511
		465,314	328,732

17 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	15	4,307,742	4,467,212

THE KNIGHTLAND FOUNDATION

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

18 Events after the reporting date

Post year end the trustees reviewed the charity's property portfolio, to identify any properties that require urgent attention and to put the Charity on a proper footing. This included reviewing the charity's historic investment in Rowe Lane Estates Ltd (company number 10010592) a company of which the charity had a 50% interest.

On the 23 February 2024 the trustees commissioned an independent valuation of the Property, which was undertaken by Eddisons.

At a board meeting held on 28 February 2024 the trustees concluded that it would be in the best interests of the Charity to exit this investment. The trustees decided that despite that this would create a loss to the Charity it was still the most prudent course of action in order to protect the assets of the Charity and enable it to concentrate on furthering its charitable purposes through its grant making programme.

The trustees informed the Charity Commission of the proposal and set out the background and reason for their decisions and the commission raised no objection to the sale.

Subsequently in May 2024 the company disposed of the shares in its subsidiary Rowe Lane Estates Ltd and assigned the loan of £384,051 to a third party for a value of £175,000.

Based on the above the charity has made a bad debt provision in its accounts of £209,051 in the current year.

The charity has also impaired its investment in its subsidiary Bellview Land Ltd based on the financial position of the company as at the 31 January 2024. The company was formally dissolved on the 25 June 2024.

19 Related party transactions

Property management services for the value of £78,368 (2023 - £62,367) were provided by Bellview Management (UK) Limited, a company under the control of a former trustee of the charity. These services were provided for part of the year free of charge, and have been shown in the accounts as a donation-in-kind.

Other than the above and those disclosed in notes 9 & 14 there were no disclosable related party transactions during the year.

20 Subsidiaries

Details of the charity's subsidiaries at 31 January 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bellview Management Ltd		Property Investment	Ordinary Shares	100.00	
Bellview Land		Property Investment	Ordinary Shares	50.00	
Canvey Housing Ltd		Property Investment	Ordinary Shares	100.00	
Rowe Lane Estates Ltd		Property Investment	Ordinary Shares	50.00	

THE KNIGHTLAND FOUNDATION

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

20 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Bellview Management Ltd	(15,710)	337,386
Canvey Housing Ltd	(50,392)	23,698
Rowe Lane Estates Ltd	(35,952)	(58,410)

The investments in subsidiaries are all stated at cost.

Consolidated financial statements have not been prepared as the charity has taken advantage of the exemptions conferred by Section 398 Companies Act 2006.

21 Cash generated from operations

2024
£

2023
£

(Deficit)/surplus for the year	(700,764)	247,575
Adjustments for:		
Investment income recognised in statement of financial activities	(792,260)	(623,366)
Depreciation and impairment of tangible fixed assets	50	-
Movements in working capital:		
Decrease in debtors	26,588	778,294
Increase/(decrease) in creditors	130,330	(162,702)
Cash (absorbed by)/generated from operations	(1,336,056)	239,801

22 Analysis of changes in net (debt)/funds

	At 1 February 2023 £	Cash flows £	At 31 January 2024 £
Cash at bank and in hand	864,387	(697,014)	167,373
Loans falling due within one year	(153,411)	(6,252)	(159,663)
Loans falling due after more than one year	(4,467,212)	159,470	(4,307,742)
	<u>(3,756,236)</u>	<u>(543,796)</u>	<u>(4,300,032)</u>