

Charity Registration No. 1144942

Company Registration No. 07756378 (England and Wales)

KOLEL BELZ MACHNOVKEH LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

KOLEL BELZ MACHNOVKEH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rabbi Y D Hershberg Rabbi J L Weiss Rabbi M Weiss Rabbi S Z Englander
Charity number	1144942
Company number	07756378
Registered office	32 Castlewood Road London N16 6DW
Independent examiner	Mr J Silver FCCA Precision Ltd 32 Castlewood Road London N16 6DW

KOLEL BELZ MACHNOVKEH LIMITED

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Statement of cash flows	6
Notes to the financial statements	7 - 13

KOLEL BELZ MACHNOVKEH LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

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 objects are the advancement of the Orthodox Jewish Religion, the advancement of Orthodox Jewish education and education generally.

The charity achieves these objectives primarily through providing grants to educational institutions and individuals, and operating an academy for the learning of higher Rabbinical studies and Jewish learning for young men in the UK.

The charity is also involved in the refurbishment and running of a synagogue.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The charity continued its philanthropic activities in support of religious educational and other charitable activities during the year.

In the year under review the charity generated income of £713,300 and incurred expenses of £354,911 and an impairment loss of £495,764.

Financial review

The financial position of the charity is satisfactory. The charity's statement of financial activities shows total reserves of £1,041,133 as at the 31 August 2022.

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 continue its charitable activities.

Under the Trust Deed, the charity has the power to make any investment, which the trustees see fit. The trustees regularly review the charity's position and needs in respect of the investment policy.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

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:

Rabbi Y D Hershberg
Rabbi J L Weiss
Rabbi M Weiss
Rabbi S Z Englander

KOLEL BELZ MACHNOVKEH LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2022*

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

The day to day affairs of the charity are administered by the trustees.

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.

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

.....
Rabbi Y D Hershberg
Trustee
Dated:

KOLEL BELZ MACHNOVKEH LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF KOLEL BELZ MACHNOVKEH LIMITED

I report to the trustees on my examination of the financial statements of Kolel Belz Machnovkeh Limited (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

J Silver FCCA
Independent Examiner
Precision Ltd
32 Castlewood Road
N16 6DW

Dated:

KOLEL BELZ MACHNOVKEH LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	713,300	456,015
<u>Expenditure on:</u>			
Charitable activities	4	850,675	198,462
Net (expenditure)/income for the year/ Net movement in funds		(137,375)	257,553
Fund balances at 1 September 2021		1,178,508	920,955
Fund balances at 31 August 2022		1,041,133	1,178,508

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.

KOLEL BELZ MACHNOVKEH LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		3,230,000		3,086,486
Current assets					
Cash at bank and in hand		1,034		2,720	
Creditors: amounts falling due within one year	12	(305,575)		(295,131)	
Net current liabilities			(304,541)		(292,411)
Total assets less current liabilities			2,925,459		2,794,075
Creditors: amounts falling due after more than one year	13		(1,884,326)		(1,615,567)
Net assets			1,041,133		1,178,508
Income funds					
Unrestricted funds			1,041,133		1,178,508
			1,041,133		1,178,508

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 August 2022.

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 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

.....
Rabbi Y D Hershberg
Trustee

Company Registration No. 07756378

KOLEL BELZ MACHNOVKEH LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	15		368,833		383,515
Investing activities					
Purchase of tangible fixed assets		(639,278)		(491,472)	
Net cash used in investing activities			(639,278)		(491,472)
Financing activities					
Repayment of bank loans		268,759		29,815	
Net cash generated from financing activities			268,759		29,815
Net decrease in cash and cash equivalents			(1,686)		(78,142)
Cash and cash equivalents at beginning of year			2,720		80,862
Cash and cash equivalents at end of year			1,034		2,720

KOLEL BELZ MACHNOVKEH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Kolel Belz Machnovkeh Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 32 Castlewood Road, London, N16 6DW.

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 charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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. 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, not withstanding the charity's net current liabilities, due to the ongoing support from the community. 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 Incoming resources

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.

KOLEL BELZ MACHNOVKEH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates.

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

1.6 Tangible fixed assets

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

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 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.

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.

KOLEL BELZ MACHNOVKEH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 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.

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.

The preparation of these financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported.

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 share in an investment property syndicate is subject to a degree of uncertainty, as the value depends on various factors including the nature of the property, its location and expected future net rental values, market yields and comparable market transactions, at times of difficult market or economic conditions the assumptions used may not prove to be accurate.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	713,300	455,627
Government grants	-	388
	<u>713,300</u>	<u>456,015</u>

The above grants relate to payments received under the Coronavirus Job Retention Scheme.

KOLEL BELZ MACHNOVKEH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

4 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	29,153	16,409
Depreciation and impairment	495,764	-
Charitable expenditure	76,499	67,864
Finance expense	63,931	52,831
	<u>665,347</u>	<u>137,104</u>
Grant funding of activities (see note 5)	183,700	60,000
Share of governance costs (see note 6)	1,628	1,358
	<u>850,675</u>	<u>198,462</u>

5 Grants payable

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Grants to institutions:		
Mifal Hachesed Vehatzdokoh	40,000	7,500
Friends of Beis Chinuch Lebonos	27,500	-
Mercatz Hatorah Belz Machnovke	25,000	-
Friends of Beis Soroh Schneirer	40,000	20,000
Other	48,000	-
	<u>180,500</u>	<u>27,500</u>
Grants to individuals	3,200	32,500
	<u>183,700</u>	<u>60,000</u>

-

KOLEL BELZ MACHNOVKEH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

6 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Accountancy	-	1,320	1,320	-	1,080	1,080
Legal and professional	-	210	210	-	-	-
Bank charges	-	98	98	-	278	278
	-	1,628	1,628	-	1,358	1,358
Analysed between						
Charitable activities	-	1,628	1,628	-	1,358	1,358

7 Trustees

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

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	4	3
Employment costs	2022 £	2021 £
Wages and salaries	29,153	16,409

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

9 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2022 £	2021 £
In respect of:		
Property, plant and equipment	495,764	-

KOLEL BELZ MACHNOVKEH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 September 2021	3,086,486
Additions	639,278
	<hr/>
At 31 August 2022	3,725,764
	<hr/>
Depreciation and impairment	
Impairment losses	495,764
	<hr/>
At 31 August 2022	495,764
	<hr/>
Carrying amount	
At 31 August 2022	3,230,000
	<hr/> <hr/>
At 31 August 2021	3,086,486
	<hr/> <hr/>

More information on the impairment arising in the year is given in note 9.

11 Loans and overdrafts

	2022 £	2021 £
Bank loans	1,671,326	1,402,567
	<hr/> <hr/>	<hr/> <hr/>
Payable after one year	1,671,326	1,402,567
	<hr/> <hr/>	<hr/> <hr/>

The long-term loans are secured by fixed charges over the charity's freehold property.

KOLEL BELZ MACHNOVKEH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	408	198
Trade creditors	48,927	48,927
Other creditors	255,160	243,846
Accruals and deferred income	1,080	2,160
	<u>305,575</u>	<u>295,131</u>

Included in other creditors is an amount of £212,673 (2021: £227,376) due to entities which some of the trustees and their close family members of this charity, are also directors or trustees.

Also included in other creditors is an amount of £Nil (2021: £5,000) due to a trustee of the charity.

13 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	11	1,671,326	1,402,567
Other creditors		213,000	213,000
		<u>1,884,326</u>	<u>1,615,567</u>

Other creditors is an amount due to a charity which some of the trustees of this charity and their close family members are also trustees.

14 Related party transactions

During the year the charity paid £25,200 for services provided to the charity by close family members of the trustees.

Apart from the above and the related party disclosures in note 12 and 13 there were no disclosable related party transactions during the year (2021 - none).

15 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(137,375)	257,553
Adjustments for:		
Depreciation and impairment of tangible fixed assets	495,764	-
Movements in working capital:		
Increase in creditors	10,444	125,962
Cash generated from operations	<u>368,833</u>	<u>383,515</u>