

Charity registration number 1147803

Company registration number 08051428 (England and Wales)

**THE WESTERN CHARITABLE FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

THE WESTERN CHARITABLE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr. H.C. Pasha Mr. D.I. Winton Mr. A.H. Yadgaroff Ms. S.J. Goodman Mr. C.B.E. Jaque Mr. P.M. Kremen Mr. P. Rayden Mr. M.A. Ziff Mr. M. Nisner
Secretary	Mr. A.H. Yadgaroff
Charity number	1147803
Company number	08051428
Registered office	35 Ballards Lane London N3 1XW
Auditor	BKL Audit LLP 35 Ballards Lane London N3 1XW
Bankers	National Westminster Bank Plc PO Box 414 38 Strand London WC2H 5JB

THE WESTERN CHARITABLE FOUNDATION

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THE WESTERN CHARITABLE FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the audited financial statements of the charity for the year ended 31st December 2021 which are also prepared to meet the requirements of a directors' report and accounts for Companies Act purposes.

Objectives and activities

The objects of the charity are:

- (i) The provision and administration of Jewish cemeteries
- (ii) The relief of poverty in accordance with the principal of the Jewish religion
- (iii) The advancement of Orthodox Jewish education by the provision and maintenance of Orthodox Jewish schools
- (iv) The advancement of the Orthodox Jewish Religion and in particular the provision and support of The Western Marble Arch Synagogue
- (v) The support of such charitable institutions established for similar purposes as the Trustees from time to time think fit

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

Grant making policy

The policy of the Foundation is the administration and maintenance of cemeteries at Bull Cross Ride Cheshunt, Rowan Road Streatham, Montagu Road Edmonton and Fulham Road Chelsea, and making grants to such other charitable activities as permitted by its objects as the Trustees consider appropriate from time to time.

Achievements and performance

Financial review

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 equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Investment Policy

The trustees regularly review their investment strategy and have an agreed guideline for their investments. The objective is to receive an average investment return of 4% (above inflation) per annum in money terms over the longer term.

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.

THE WESTERN CHARITABLE FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Risks

The biggest risk the Foundation faces is a major event resulting in a large increase in the number of burials. The trustees cater for the risk by maintaining sufficient reserves and obtain an actuarial report every 3 years to verify this. A further major risk is the age of the properties associated with the Foundation and the trustees ensure that adequate funds are maintained for the ongoing maintenance programme and any long term liabilities.

Going Concern and Covid-19

The Trustees have considered the effect of Covid-19 and what impact it has had, and may continue to have on the charity. The outbreak has not caused a significant disruption to the charity's activities or financial position and the Trustees are satisfied that the charity can maintain its services.

Review of the Transactions and Financial Position

The overall movements in the year can be summarised as below:

Year ended 31st December	2021	2020
	£	£
Donations received	300	1,800
Cemetery income and investment income	915,662	992,385
Other income	<u>3,156</u>	<u>18,625</u>
Total income	919,118	1,012,810
Expenditure	<u>(1,110,176)</u>	<u>(1,197,572)</u>
Net surplus/(deficit) before investment asset revaluations and burial liabilities	(191,058)	(184,762)
Increase in long term funeral liabilities	-	-
Surplus on revaluation of tangible fixed assets	-	-
Other gains and (losses)	(8)	(2,892)
Revaluation of investment assets (listed investments and property)	559,441	950,420
And net gains/(losses) on sale of investment assets	5,606	(404,617)
Net Surplus/ (Deficit for the year)	373,981	358,149

The consulting actuary has advised that provided a margin of prudence is retained the invested assets will be sufficient to meet future burial liabilities.

In the course of the year, there were 262 (2020: 290) burials of which 186 (2020: 203) were in connection with the associated organisations and 76 (2020: 87) related to burial subscription members and paid funerals. The trustees have no immediate plans to modify or radically change any of the objects, activities or policies described above.

THE WESTERN CHARITABLE FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 30th April 2012 and registered as a Charity on 22nd June 2012. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Background

The Charity was established for the purposes of assuming the functions of the Western Charitable Foundation (Registered Charity Number 1001847) and on 1st November 2012 took over the assets and liabilities of that charity.

Organisation

There are nine trustees who are responsible for running the charity. Day to day running of the charity is delegated to the Management Committee which consists of the Chairman, Vice Chairman and Treasurer. Routine matters such as arranging funerals and upkeep of records are delegated to the office administration.

Directors and Trustees

The directors of the company are also charity trustees for the purpose of charity law and under the company's articles are known as members.

The names of the trustees and officers who acted during the year and since the year end are:

H. C. Pasha (Chairman)
D. I. Winton (Vice Chairman)
A. H. Yadgaroff (Treasurer)
S. Goodman
C.B.E. Jaque
P. Kremen
P. Rayden
M. A. Ziff (WMAS Representative)
M. Nisner (United Synagogue Representative)

THE WESTERN CHARITABLE FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

Appointment of Trustees

The Articles provide for a minimum number of 5 and a maximum number of 15 trustees. One of the trustees so appointed shall be nominated by the United Synagogue.

The power of appointment of new or additional trustees is vested in the trustees for the time being of the charity. A trustee must be appointed by a resolution passed by two thirds of all the existing trustees at the time of the resolution.

Trustees Induction and Training

A new trustee would receive copies of the previous years' annual reports and accounts and a copy of the Charity Commission leaflet "The Essential Trustee: What you need to know".

Key Management Personnel Remuneration

The trustees consider the Chairman and the executive secretary as comprising the key management personnel of the charity in charge of directing and controlling the day to day affairs of the charity.

All trustees give their time freely and no remuneration was paid to them in the year.

The pay of the executive secretary is reviewed annually. The remuneration set is fair and not out of line with that generally paid for similar roles. For further information, see note 23.

Trustees' Indemnity

The company's Articles of Association provide, subject to the provision of UK legislation, an indemnity for trustees and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers of the company.

Appropriate trustees and officers liability insurance cover is in place in respect of all of the company's directors.

THE WESTERN CHARITABLE FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Connected Organisations

There are no directly connected organisations. However, the Foundation co-operates with the following charitable burial societies and burial organisations which use the cemeteries which the Foundation maintains:

Burial Societies

The Assembly of Masorti Synagogues:
New London Synagogue
New North London Synagogue
Association of Jewish Friendly Societies
Chabad Lubavitch Centres
Congregation of Jacob
East London Central Synagogue
Great Garden Street Synagogue
Kehillat Ohel Avraham
Sandys Row Synagogue
Teesdale Street Synagogue
The Settlement Synagogue
Walford Road Synagogue
West End Great Synagogue
WMAS Funeral Expenses Scheme

Burial Organisations

Jewish Joint Burial Society
Liberal Judaism
Woodford Forest United

Review of Activities

The activities of the charitable company continue to be the advancement of the Jewish Religion in particular by the provision, maintenance and administration of Jewish Cemeteries and the provision of assistance to any Burial society for the burial of persons of the Jewish faith.

The trustees continue to keep under review the need for maintenance of the cemeteries, performance against objectives set and the need to acquire land for future burials. During the period the trustees continued the comprehensive maintenance programme at all of the cemeteries. There was no need, at this time, to purchase additional burial land or to make any changes to the way it carries out its activities.

The trustees are satisfied that the expenditure incurred helped to support its key objectives in maintaining the high standard of its cemeteries.

The Investment committee continues to review the investment portfolio and implement their recommendations. The Western Charitable Foundation performance is benchmarked against the ARC Charities Indices.

Auditor

During the year, FSPG were appointed as auditors to the charity. On 31st March 2022, FSPG transferred its audit business to a new LLP, BKL Audit LLP. The trustees consented to treating the appointment of FSPG as extending to BKL Audit LLP with effect from 1 April 2022. Under section 487(2) of the Companies Act 2006 BKL Audit LLP will be deemed to have been reappointed as auditors 28 days after the financial statements were sent to the members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

THE WESTERN CHARITABLE FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Public Benefit

The charity achieves its general aims by maintaining Jewish cemeteries and providing support to the Western Marble Arch Synagogue. The trustees have complied with their duty under section 17(5) of the Charities Act 2011 to have due regard to the public benefit requirement. The trustees have also reviewed each grant payment during the year by reference to the Charity Commission guidance on "Charities and Public Benefit" issued by the charity commission.

Reserves

Total Reserves, as shown on the Balance Sheet, amount to £12,803,855 (2020: £12,429,874). Of these reserves, £3,900,255 (2020: £3,912,431) is invested in Tangible Fixed Assets and Heritage Assets leaving £8,903,600 (2020: £8,517,443) as free reserves.

Whilst the trustees from time to time make grants, considerable reserves have to be held for future expenditure on cemeteries and also to cover the long term burial liabilities as well as maintenance and renewal of its properties.

The Foundation's investment policy is to hand over the management of funds into the hands of Professional Managers. The trustees consult with the Managers from time to time to discuss investment performance.

There is also a need to maintain cemeteries which are in effect closed for burial, and funds have to be held to cover such maintenance for perpetuity.

Disclosure of information to auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- each of the trustees having made enquiries of fellow trustees have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



Mr. H.C. Pasha

20 October 2022

THE WESTERN CHARITABLE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of The Western Charitable 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;
- 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE WESTERN CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WESTERN CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of The Western Charitable Foundation (the 'charity') for the year ended 31 December 2021 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 December 2021 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, 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.

THE WESTERN CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WESTERN CHARITABLE FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

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.

THE WESTERN CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WESTERN CHARITABLE FOUNDATION

As part of our planning process;

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected, or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Assessing the validity of the classification of Income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank balances and transactions.

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. The primary responsibility for the prevention and detection of irregularities and fraud rests with those charged with governance of the entity.

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.

THE WESTERN CHARITABLE FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WESTERN CHARITABLE FOUNDATION

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 auditors' 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.



David Tropp (Senior Statutory Auditor)
for and on behalf of BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

THE WESTERN CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income and endowments from:</u>			
Donations and legacies	3	300	1,800
Charitable activities	4	567,952	664,206
Investments	5	347,710	328,179
Other income	6	3,156	18,625
Total income		919,118	1,012,810
<u>Expenditure on:</u>			
Charitable activities	7	1,110,176	1,197,572
Net gains/(losses) on investments	11	565,047	545,803
Net incoming resources		373,989	361,041
<u>Other recognised gains and losses</u>			
Other gains or losses	12	(8)	(2,892)
Net movement in funds		373,981	358,149
Fund balances at 1 January 2021		12,429,874	12,071,725
Fund balances at 31 December 2021		12,803,855	12,429,874

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 WESTERN CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	3,289,082		3,301,258	
Heritage assets	14	611,173		611,173	
Investment properties	15	5,578,589		5,578,589	
Investments	16	6,684,510		5,038,142	
		<u>16,163,354</u>		<u>14,529,162</u>	
Current assets					
Debtors	18	149,674		162,640	
Cash at bank and in hand		1,248,340		2,490,035	
		<u>1,398,014</u>		<u>2,652,675</u>	
Creditors: amounts falling due within one year	19	<u>(353,597)</u>		<u>(349,537)</u>	
Net current assets		1,044,417		2,303,138	
Total assets less current liabilities		17,207,771		16,832,300	
Creditors: amounts falling due after more than one year	20	(409,892)		(408,402)	
Provisions for liabilities	21	<u>(3,994,024)</u>		<u>(3,994,024)</u>	
Net assets		<u>12,803,855</u>		<u>12,429,874</u>	
Income funds					
Unrestricted funds		12,803,855		12,429,874	
		<u>12,803,855</u>		<u>12,429,874</u>	

The financial statements were approved by the Trustees on 20 October 2022

Mr. H.C. Pasha
Trustee

Company registration number 08051428

Mr. A.H. Yadgaroff
Trustee

THE WESTERN CHARITABLE FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(502,283)		43,451
Investing activities					
Purchase of tangible fixed assets		(5,640)		(1,098,706)	
Proceeds on disposal of investment property		-		222,470	
Acquisition of subsidiary		-		(1)	
Purchase of other investments		(2,209,176)		(2,100,742)	
Proceeds on disposal of other investments		1,127,855		2,615,109	
Investment income received		347,549		327,187	
Net cash used in investing activities			(739,412)		(34,683)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,241,695)		8,768
Cash and cash equivalents at beginning of year			2,490,035		2,481,267
Cash and cash equivalents at end of year			<u>1,248,340</u>		<u>2,490,035</u>

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Western Charitable Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 35 Ballards Lane, London, N3 1XW.

The liability of each member in the event of winding up is limited to £10.

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

The Trustees have considered the effect of the Covid-19 outbreak on charitable activities. The Trustees consider that the outbreak is unlikely to cause a significant disruption to the charity or financial position and are confident that the charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. 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. The charity has no designated or restricted funds.

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.

Donations are recognised when the communication has been received in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Burial subscription income is recognised when the fair value of consideration is received or receivable from the the members of the burial societies for cemetery services.

Rental income is recognised on a receivable basis.

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Expenditure is accounted for on an accruals basis and has been classified in full to the one charitable activity of provision for burial services. This expenditure includes both direct costs and those of an indirect nature (support and governance costs).

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant.

Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside the control of the charity.

Support costs are those functions that assist the work of the charity but do not directly undertake the charitable activities. These costs include back office, finance, personnel, payroll and governance.

Governance costs include the costs associated with meeting the constitutional and statutory requirements of the charity, including audit fees.

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.

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 property	2%
Cemeteries	On the basis of the number of burial spaces used in the year
Plant and equipment	On 20% reducing balance basis

Freehold land (excluding cemetery land) and the Western Judaica Collection (heritage assets) are not depreciated.

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 Investment properties

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investment are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year ended and their opening value on the first day of the financial year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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.

1.8 Heritage assets

Heritage assets were originally recognised in the accounts at professional valuation. There is no prescribed minimum period between valuations. However, the Trustees are of the opinion that the cost to continue to professionally value the heritage assets is not justifiable by the usefulness of the information to the users of the accounts especially as these assets are unlikely to be disposed of. The Trustees will continue to review the value of these assets and make an adjustment to their carrying value as appropriate.

The charity keeps detailed records of individual items which are held under secure environment. Access to the assets is restricted and regular physical checks are carried out.

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 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.

1.11 Financial instruments

The Charity has elected to apply the provision of section 11 'basic financial instruments' and section 12 'other financial investments' of FRS 102 to all of its financial instruments.

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Provisions

The provision for future funeral costs is based on an external actuarial report assessing the present value of future funeral costs less the present value of future contributions. See note 21 for further information.

It is the policy of the trustees to obtain an updated actuarial report on a triennial basis. The last actuarial valuation was undertaken on 1 January 2019. In the intervening period, the Trustees review the valuation to assess whether it has materially changed.

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

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

1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of heritage assets

Please refer to note 14 for the basis of valuation of the different heritage assets.

Valuation of investment properties

Determining the fair value of the Charity's investment properties as at each balance sheet date involves an element of estimation due to the nature of the properties. The Trustees manage the resulting estimation uncertainty by reviewing properties on an individual basis, referring to available market evidence and obtaining professional valuations where appropriate.

Provision for future funeral costs

The provision for future funeral costs of £3,994,024 is based upon an actuarial report using an assumption that future income from members' contributions increases annually in line with inflation. The report sets out the position at 1 January 2019. The Trustees have reviewed the valuation and considered an increased was necessary of the amount of £373,047.

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	300	1,800

4 Charitable activities

	2021	2020
	£	£
Cemetery revenue	567,952	664,206

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Rental income	235,147	226,338
Investments listed on stock exchange	112,402	100,849
Interest receivable	161	992
	347,710	328,179

6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
CJRS income	-	18,625
Insurance claim received	3,156	-
	3,156	18,625

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Cemetery Costs 2021 £	Religious Activities 2021 £	Total 2021 £	Cemetery Costs 2020 £	Religious Activities 2020 £	Total 2020 £
Staff costs	193,579	-	193,579	204,783	-	204,783
Funeral costs	94,350	-	94,350	74,641	-	74,641
Repairs and renewals	95,441	-	95,441	95,705	-	95,705
Cleaning	4,852	-	4,852	4,679	-	4,679
Light and heat	23,682	-	23,682	24,781	-	24,781
Rates	21,783	-	21,783	18,085	-	18,085
Telephone	3,478	-	3,478	5,311	-	5,311
Insurance	8,230	-	8,230	11,044	-	11,044
Motor and travel	3,585	-	3,585	1,045	-	1,045
Advertising	1,000	-	1,000	1,038	-	1,038
Increase in actuarial provision for future long- term funeral liabilities	-	-	-	373,047	-	373,047
	<u>449,980</u>	<u>-</u>	<u>449,980</u>	<u>814,159</u>	<u>-</u>	<u>814,159</u>
Grant funding of activities (see note 8)	-	513,673	513,673	-	207,032	207,032
Share of support costs (see note 9)	105,013	-	105,013	148,675	-	148,675
Share of governance costs (see note 9)	41,510	-	41,510	27,706	-	27,706
	<u>596,503</u>	<u>513,673</u>	<u>1,110,176</u>	<u>990,540</u>	<u>207,032</u>	<u>1,197,572</u>

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Grants Payable

	Religious Activities 2021 £	Religious Activities 2020 £
Grants to institutions (3 grants):		
Western Marble Arch Synagogue	503,673	207,032
Other	10,000	-
	<u>513,673</u>	<u>207,032</u>

The accounts of The Western Marble Arch Synagogue for the year ended 31 December 2021 confirm donations received from The Western Charitable Foundation of £503,673 (2020: £207,032) as above.

The total grants made to Western Marble Arch Synagogue by the company and its unincorporated predecessor up to 31 December 2021 amount to £3,042,591 (2020: £2,538,918).

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9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	59,166	-	59,166	94,708	-	94,708
Depreciation	17,816	-	17,816	18,926	-	18,926
Bank charges	1,680	-	1,680	1,490	-	1,490
Printing, postage, stationery and computer requisites	5,094	-	5,094	6,618	-	6,618
General expenses	5,593	-	5,593	5,624	-	5,624
Professional fees	8,685	-	8,685	20,290	-	20,290
Insurance	6,979	-	6,979	1,019	-	1,019
Audit fees	-	19,689	19,689	-	8,266	8,266
Accountancy - previous auditors	-	21,821	21,821	-	19,440	19,440
	<u>105,013</u>	<u>41,510</u>	<u>146,523</u>	<u>148,675</u>	<u>27,706</u>	<u>176,381</u>
Analysed as						
Charitable activities	<u>105,013</u>	<u>41,510</u>	<u>146,523</u>	<u>148,675</u>	<u>27,706</u>	<u>176,381</u>

Governance costs includes payments to the auditors of £11,940 (2020 - £8,266) for audit fees. The £19,689 shown above includes an additional fee of £7,749 paid to the previous auditors. Other fees paid to the auditors totalled £Nil (2020 - £19,440), including VAT.

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	7	7
Administration	2	2
Total	9	9

Employment costs	2021 £	2020 £
Wages and salaries	230,747	267,030
Social security costs	16,876	27,225
Other pension costs	5,122	5,236
	252,745	299,491

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

11 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	559,441	950,420
Gain/(loss) on sale of investments	5,606	(591,369)
Gain/(loss) on sale of investment properties	-	186,752
	565,047	545,803

12 Other gains or losses

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Foreign exchange losses	(8)	(2,892)

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

	Freehold property £	Cemeteries £	Plant and equipment £	Total £
Cost				
At 1 January 2021	1,320,190	2,400,266	94,517	3,814,973
Additions	-	-	5,640	5,640
At 31 December 2021	1,320,190	2,400,266	100,157	3,820,613
Depreciation and impairment				
At 1 January 2021	46,430	380,351	86,934	513,715
Depreciation charged in the year	3,000	13,300	1,516	17,816
At 31 December 2021	49,430	393,651	88,450	531,531
Carrying amount				
At 31 December 2021	1,270,760	2,006,615	11,707	3,289,082
At 31 December 2020	1,273,760	2,019,915	7,583	3,301,258

The "Cemeteries" category above comprises some freehold cemetery land which has restrictions upon its use. Because of these restrictions it is not possible for the trustees to determine its market value and as such, this land is stated at cost.

This category also comprises burial land which is in use and is stated at a trustees' valuation at 25th November 1991 with subsequent additions at cost, subject to revaluations at 31st October 1999, 31st October 2005 and 31st December 2015.

This category also comprises a car park, prayer halls and residence which are held at cost. The residences at Cheshunt and Edmonton form part of those cemeteries. The residence at the Streatham cemetery is a stand alone freehold.

Also included within Cemeteries is burial land, not currently in use. This land is stated at its cost.

The Foundation has granted a burial organisation an option to purchase land in a specified area in the event of the sale of that land.

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Heritage assets

	Silverware etc. £	Torah scrolls £	Stained glass windows £	Total £
At 1 January 2021	276,173	135,000	200,000	611,173
At 1 January 2021 and at 31 December 2021	276,173	135,000	200,000	611,173

The charity has for many years held assets of historical and cultural importance as The Western Judaica Collection. These assets comprise scrolls, silverware, artwork and other artefacts. A pair of rimonim (Torah finials) are on loan to the Jewish Museum. The remainder of the Western Judaica Collection is on loan to the Western Marble Arch Synagogue.

These assets are considered to be heritage assets.

The valuation of silverware, artwork and other artefacts was based on an open market valuation of these assets from third party valuers pre 1995 who were not connected with the charity. As explained in note 1.8, the Trustees are of the opinion that the cost of undertaking professional valuations is not justifiable by the usefulness of the information to the users of the accounts, especially as these assets are unlikely to be disposed of. The scrolls have been based on a trustee valuation. The stained glass windows are also at Trustees' valuation. The Trustees are not aware of any other material changes to these heritage assets since the last valuation.

There were no sales or purchases of heritage assets during the year.

15 Investment property

	2021 £
Fair value	
At 1 January 2021 and 31 December 2021	5,578,589

The fair value of the property that comprises the largest part of investment property as at 1 January 2019 was arrived at initially on the basis of a valuation carried out on 7 May 2013 by a firm of RICS Registered valuers (who were not connected with the charity). The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The Trustees subsequently reviewed this valuation at 31 December 2018. In addition, the balance of the investment property was also revalued by the trustees as at that date giving a total of £4,814,307. The Trustees have further reviewed the investment property portfolio and in their opinion there has been a further increase in value of £800,000 in respect of the year ended 31 December 2020. The Trustees are of the opinion that the investment properties have remained at the same value for 2021.

If the investment property had not been revalued, the historical cost of the property would be £1,001,363.

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Fixed asset investments

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 January 2021	5,038,141	1	5,038,142
Additions	2,209,176	-	2,209,176
Valuation changes	559,441	-	559,441
Disposals	(1,122,249)	-	(1,122,249)
At 31 December 2021	6,684,509	1	6,684,510
Carrying amount			
At 31 December 2021	6,684,509	1	6,684,510
At 31 December 2020	5,038,141	1	5,038,142

	Notes	2021 £	2020 £
Other investments comprise:			
Investments in subsidiaries	24	1	1

17 Financial instruments	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	6,684,509	5,038,141
18 Debtors	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	123,317	149,760
Other debtors	4,909	300
Prepayments and accrued income	21,448	12,580
	149,674	162,640

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	6,584	5,958
Trade creditors	18,534	39,248
Other creditors	241,655	219,561
Accruals and deferred income	86,824	84,770
	<u>353,597</u>	<u>349,537</u>

20 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>409,892</u>	<u>408,402</u>

21 Provisions for liabilities

	2021 £	2020 £
Provision for future funeral costs	<u>3,994,024</u>	<u>3,994,024</u>

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21 Provisions for liabilities	2021	(Continued) 2020
		Provision for future funeral costs £
Movements on provisions:		
At 1 January 2021 and 31 December 2021		3,994,024

As at 31 December 2021, the Foundation is responsible for the burial in future of 2,862 subscription members of which 1,039 were men, 1,246 women and 577 children. The last actuarial report as at 1st January 2019, estimated that the average cost of a burial is £4,855. The actuaries recommended that the subscriptions be increased and reviewed from time to time.

The report also assessed the present value of future funeral costs less the present value of future contributions at 1 January 2019 as £3,620,977. In order to ensure that sufficient funds are available for future burials, the trustees have made a provision for this amount in these accounts. An additional provision of £373,047 was required as at 31 December 2020. No further provision was considered necessary as at 31 December 2021.

It is estimated that, at the Balance Sheet date, there were 16,452 unallocated plots, as well as 380 reserved plots at Cheshunt, and 491 unallocated plots, as well as 56 reserved plots at Edmonton and 55 unallocated plots, as well as 18 reserved plots at Streatham. Additionally there were 23,656 plots at land adjoining Cheshunt Cemetery.

22 Operating lease commitments

Lessor

The operating lease represents income from a third party tenant of £13,398,560. The lease has a remaining 36 years to run (ending on 29/09/57) and rental is increased by a fixed percentage over the duration of the lease.

At the reporting end date the charity had contracted with tenants for the following minimum lease income receipts (due to the charity):

	2021 £	2020 £
Within one year	236,288	230,653
Between two and five years	1,005,717	981,734
In over five years	12,156,555	12,425,142
	<u>13,398,560</u>	<u>13,637,529</u>

THE WESTERN CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Related party transactions

The charity considers J. Grossman (2020: J Grossman), who undertakes the role of executive secretary, to be part of key management personnel. The total employment benefits paid to J. Grossman were £46,566 (2020 : £45,865).

The company is controlled by its members, all of whom are trustees of the charity. None of the Trustees (or any) persons connected to them) received any remuneration or benefits from the charity during the year.

24 Subsidiaries

A fully owned subsidiary, 1 Wallenberg Place Limited which has its registered office at Acre House, 11/15 William Road, London, United Kingdom, NW1 3ER. The company is a non trading company and has been excluded from consolidation because the company has been dormant throughout the period. No amount was owed by the subsidiary to the parent at the year end (2020: £nil).

25 Cash generated from operations	2021 £	2020 £
Surplus for the year	373,989	361,041
Adjustments for:		
Investment income recognised in statement of financial activities	(347,549)	(328,179)
Foreign exchange differences	(8)	(2,892)
Gain on disposal of investment property	-	(186,752)
(Gain)/loss on disposal of investments	(5,606)	591,369
Fair value gains and losses on investments	(559,441)	(950,420)
Depreciation and impairment of tangible fixed assets	17,816	18,926
Movements in working capital:		
Decrease in debtors	12,966	39,711
Increase in creditors	5,550	127,600
(Decrease) in provisions	-	373,047
Cash (absorbed by)/generated from operations	(502,283)	43,451

26 Analysis of changes in net funds

The charity had no debt during the year.