

THE MACHZIKEI HADASS COMMUNITIES

England & Wales · Charity number 235459

Details

Status Registered

Legal form Trust

Registered 1964-08-14

Register [View on the Charity Commission register](#)

Contact

Address 17 Northumberland St
Salford
Manchester
M7 4FE

Phone 01616603492

Activities

Objects: TO FURTHER THE OBSERVANCE OF ORTHODOX JUDAISM AND FOR THAT PURPOSE TO ESTABLISH ALL INSTITUTIONS REQUIRED BY AN ORTHODOX JEWISH COMMUNITY IN ACCORDANCE WITH THE TORAH, SHULKHAN ARUKH AND TRADITIONAL JEWISH CUSTOMS.

Activities: The trust provides the use of religious buildings to the Orthodox Jewish community. It also collects funds which are distributed to Jewish religious organisations and to the needy in the Jewish Community, and runs a charity voucher scheme it also provides services which ensure that all foods supplied to the Jewish Community are certified as Kosher and fit for consumption by the Jewish Community.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** LANCASHIRE AND CHESHIRE
- Cheshire East
- Cheshire West & Chester
- Lancashire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£5,278,833	£5,461,888	£4,746,298	32
2023-08-31	£5,356,301	£5,777,655	£4,689,651	33
2022-08-31	£5,069,262	£4,865,300	£4,701,156	27
2021-08-31	£4,708,024	£4,339,423	£4,497,195	21
2020-08-31	£4,011,514	£3,712,097	£4,128,594	21

Trustees

Name	Role	Appointed
MORRIS BRUNNER		
YAAKOV MENACHEM SALOMON		
YEHUDA ARYEH SANGER		

Accounts

Charity Registration Number:- 235459

Machzikei Hadass Communities Group

Report and Accounts

31 August 2024

B Olsberg & Co
Chartered Accountants & Statutory Auditor
Enterprise House 3 Middleton Road
Manchester
M8 5DT

Machzikei Hadass Communities Group

Report and accounts for the year ended 31 August 2024

Contents

	Page
Charity information	1
Trustees' Annual Report	1
Statement of directors' responsibilities	6
Independent Auditors' Report	8
<i>Funds Statements:-</i>	
Statement of Financial Activities	12
Statement of Financial Activities - Prior Year statement	13
Statement of total recognised gains and losses	13
Movements in funds	14
Revaluation reserves	14
Revenue Funds	15
Fixed Asset funds	15
Income and Expenditure account	15
Summary of funds	15
Balance sheet	16
Cash flow statement	17
Notes to the accounts	19

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2024

The Trustees present their Report and Accounts for the year ended 31 August 2024.

Reference and administrative details

The charity name.

The legal name of the charity is:- The Machzikei Hadass Communities.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 235459.

The charity does not operate in any overseas jurisdictions.

Legal structure of the charity

The charity is constituted as an unincorporated charity, established by Trust Deed. The governing document of the charity is the Trust Deed establishing the charity.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

The trustees are all individuals.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2024

The principal operating address is:-

17 Northumberland St.
Salford, Manchester
M7 0FE

The Trustees in office on the date the report was approved were:-

M Brunner
Y A Sanger
Y M Salomon

The following persons served as Trustees during the year ended 31 August 2024 :-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

Objects and activities of the charity

The purposes of the charity as set out in its governing document.

The Charitable Trust's objects are to further the observance of orthodox Judaism, to encourage and support the advancement of Orthodox Jewish Religious Education, to establish all institutions required by an orthodox Jewish community and any other charitable activity.

The main activities undertaken in relation to those purposes during the year.

The policy of the Charitable Trust continues to be to support these activities as follows:

- 1) The trustees own several buildings including a synagogue hall and ritual baths. These are used constantly by the Community members.
- 2) The Trustees employ a Rabbi and various supervisory officials to ensure that the highest standard of religious requirements in all spheres of Judaism is achieved and maintained.
- 3) The Charity operates a charity fund voucher account, the surplus in which, is used for its objects.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2024

The main activities undertaken during the year to further the charity's purpose for the public benefit.

The trustees confirm that they have referred to guidance contained in the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance when reviewing the charity's aims and objectives and in planning future activities, and setting the grant policy for the year.

The main achievements and performance of the charity during the year.

The trustees consider that the performance of the charity this year has been satisfactory. It has been able to fund its various activities and distributions as indicated in the SOFA. There were no changes in its activities.

The difference the charity's performance during the year has made to the beneficiaries of the charity, and wider society

The Charity's performance has considerably benefited the beneficiaries in the community it serves and wider afield

Investment powers and performance.

The trustees are authorised to make and hold investments using the general funds of the charity, and these are shown in the balance sheet.

Structure, governance and management of the charity

The methods used to recruit, appoint and train new charity trustees.

The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

Most trustees are already familiar with the practical work of the charity having received guidance from the existing trustees prior to appointment. New trustees are further encouraged to attend training sessions organised by the charity

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2024

How the subsidiary undertaking(s) is/are constituted and managed.

The charity's subsidiary Testbell Limited continued to operate providing the community with Kosher poultry. Its other subsidiary Erez (M/c) Ltd provides a regular income from its property investments.

Bankers	Co-operative Bank, Manchester
Solicitors	Kuit Steinart Levy, Manchester
Auditors	B Olsberg & Co, Chartered Accountants and Registered Auditors Manchester

Financial review

The charity's financial position at the end of the year ended 31 August 2024

The financial position of the charity at 31 August 2024 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2024	2023
	£	£
Net income	56,945	(11,805)
Unrestricted Revenue Funds available for the general purposes of the charity	4,096,449	4,279,504
Unrestricted revaluation reserve	649,849	409,849
Total Unrestricted Funds	4,746,298	4,689,352
Total Funds	4,746,298	4,689,352

Financial review of the position at the reporting date, 31 August 2024 .

The charity provided Shechitah and Supervisory services during the year which produced an income of £88,546. Donation and subscriptions received during the year were £1,602,663. Gift aid of £310,000 was received from the charity's wholly owned subsidiary company, Testbell.

The charity paid out charitable grants totalling £1,570,764.

The charity spent £70,020 on communal services which included the cost of running and refurbishing the Mikvas. Maintenance of religious buildings, including security, was £279,960. Rabbinical and Supervisory Services were £375,463.

The cost of Management and Administration was £145,124.

The charity's surplus for the year was £56,945 (Previous Year -£11,805).

The results of the charity's subsidiaries are shown in the accounts.

Funds available are sufficient to permit the Trust to continue in operation in the medium term.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2024

Policies on reserves.

The trustees always wish to retain income to provide for unforeseen contingencies and the amounts retained will fluctuate from year to year.

The amount of distributions made in any period will take into account the necessity to have these reserves available in accordance with the Trustees policy.

The amount of reserves to be held is reviewed annually.

Going Concern

The trustees consider that the going concern basis of accounting in the preparation of the financial statements is appropriate for a period of at least twelve months from the date when the financial statements are authorised for issue and that there are no material uncertainties due to the discretion in making grants and maintaining adequate reserves.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets are available and adequate to fulfil its obligations in respect of each fund.

The major risks to which the Charity is exposed and reviews and systems to mitigate them.

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust. These risks include macro economic factors governing the whole economy that could expose tenants and thereby put value of the investment properties at risk with the associated knock on effect with lenders covenants. Additionally, the charity may be exposed to interest rate increases with reference to loans and their repayment.

The trustees examine the major risks that the charitable trust faces each financial year when preparing and updating its budget. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the charity's future.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2024

Details of The Auditor

B Olsberg FCA

For and on behalf of B Olsberg & Co. - Registered Auditors

3 Middleton Road

Manchester

M8 5DT

Statement as to disclosure of information to auditors

The trustees state that so far as each of the trustees at the time this report was approved are aware:-

- a) There is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

Statement of Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), .

In particular, charity law requires the Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2024

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the Charities Act 2011. 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 Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the auditor in relation to the Trustees' report is limited to examining the report and ensuring that , the report is consistent with the figures disclosed in the financial statements.

This report was approved by the board of trustees on 29 June 2025.

M Brunner
Trustee

Machzikei Hadass Communities Group

Independent Auditors' Report to the Trustees of the charity on the consolidated group accounts for the year ended 31 August 2024

Introduction

We have audited the consolidated financial statements of Machzikei Hadass Communities Group for the year ended 31 August 2024, as set out on pages 12 to 26, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Recognised Gains and Losses, the Balance Sheet and the related notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements of the charitable group are prepared, in all material respects, in accordance with charity law applicable within the jurisdiction of England & Wales and, in particular, the accounts have been prepared in accordance with FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016, under the historical cost convention, and in accordance with the accounting policies set out on page 19, which framework constitutes the applicable United Kingdom Generally Accepted Accounting Practice.

Limitation of liability

This report is made solely to the Trustees of the charitable group, as a body, in accordance with the requirements of Section 154 of the Charities Act 2011 (The Act). Our work has been undertaken so that we might state to the 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 liability or responsibility to anyone other than the Trustees as a body, for our work, for this report or for the opinions we have formed.

Basis for our opinion

We have been appointed as auditors under section 144(2) of The Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (ISAs-UK), issued by the Financial Reporting Council, and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 England & Wales, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

As described on page 6, you, the charitable group's Trustees, are responsible for the preparation of the consolidated financial statements for the charitable group in accordance with the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice and for being satisfied that the financial statements give a true and fair view.

The Trustees, who are charged with governance, are responsible for overseeing the charitable group's financial reporting process.

Management is responsible for the preparation of the financial statements in accordance with charity law of the jurisdiction of England & Wales and for such internal control as management determines 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, management is 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 management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Machzikei Hadass Communities Group

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with relevant legal and regulatory requirements and ISAs-UK. Those standards require us to comply with the Ethical Standards for Auditors published by the Financial Reporting Council and to:-

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;

To obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control;

To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the charity;

To conclude on the appropriateness of the charity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern;

To evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements;

We are required to report to the Trustees our opinion as to whether the consolidated financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities (Accounts and Reports) Regulations 2008.

We are also required to report to you if, in our opinion, the Trustees' Annual Report is materially inconsistent with the financial statements, if the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with ISAs-UK and in accordance with the Practice Note 'The Audit of Charities in the United Kingdom', revised in March 2012.

We are required to plan and perform our audit so as to meet the above requirements and to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In the course of our audit, we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Machzikei Hadass Communities Group

Assistance with accountancy and tax matters

In accordance with the exemption provided by APB Ethical Standard – Provisions Available for Smaller Entities, we have prepared and submitted the charity's returns to the tax authorities and assisted with the preparation of the accounts.

Eligibility of auditor and status of audit

We confirm that we are eligible under section 144(2) of the Charities Act 2011 to conduct this audit, and that this report is a report in respect of an audit carried out under the Act and in accordance with the related regulations.

Attention is drawn to the accounting policy stating that, notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, and in order to accord with current best practice, the Trustees have determined to prepare the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), . We concur with this approach, and any references in our report to the regulations should be read subject to this comment.

Opinion on the Financial Statements

In accordance with Regulations 25(g) and (h) of the Charities (Accounts and Reports) Regulations 2008, in our opinion the charity's financial statements:

Give a true and fair view of the state of affairs of the charitable group as at 31 August 2024 and of its Income and Expenditure for the financial year then ended and, in particular, the financial statements have been properly prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to entities of its size and have been properly prepared in accordance with the requirements of the Charities Act 2011; and

have been prepared in accordance with the methods and principles required by the FRS102 Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission in England & Wales (CCEW) , effective January 2015 (The SORP), and those methods and principles have been followed.

Machzikei Hadass Communities Group

Matters upon which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

the charitable group has not kept adequate accounting records; or

the financial statements are not in agreement with the accounting records and returns; or

if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

we have not received all the information and explanations we require for our audit.

Signed:-

B Olsberg FCA - Senior Statutory Auditor

For and on behalf of B Olsberg & Co. - Registered Auditors

Chartered Accountants and Registered Auditors

3 Middleton Road
Manchester
M8 5DT

This report was signed on 29 June 2025

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2024

Consolidated Statement of Financial Activities for the year ended 31 August 2024

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2024 £	2024 £	2024 £	2023 £
Income & Endowments from:					
Donations & Legacies	25	1,743,923	-	1,743,923	1,798,564
Charitable activities	26	3,505,485	-	3,505,485	3,547,801
Investments	28	29,425	-	29,425	9,636
Total income		5,278,833	-	5,278,833	5,356,001
Expenditure on:					
Charitable activities	34	5,461,888	-	5,461,888	5,777,655
Total expenditure		5,461,888	-	5,461,888	5,777,655
Net income for the year		(183,055)	-	(183,055)	(421,654)
Net income after transfers		(183,055)	-	(183,055)	(421,654)
Other recognised gains/(losses)					
Net gains on revaluation of fixed assets		240,000	-	240,000	409,849
Net movement in funds		56,945	-	56,945	(11,805)
Reconciliation of funds:-					
Total funds brought forward		4,689,353	-	4,689,353	4,701,157
Total funds carried forward		4,746,298	-	4,746,298	4,689,352

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A Statement of Total Recognised Gains and Losses is included as a primary statement in these accounts.

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2024

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 August 2024

	2024 £	2023 £
Surplus for the year :-		
Net excess of income over expenditure from operations before tax	(183,055)	(421,654)
Realised gains on disposals of social investments which are programme related	-	-
Income from operations before tax in the Statement of Financial Activities	(183,055)	(421,654)
Add/(deduct) non income and expenditure items:-		
Gains and losses on revaluation of fixed and intangible assets	240,000	409,849
Net Movement in funds before taxation	56,945	(11,805)
Funds generated in the year as shown on Statement of Financial Activities	56,945	(11,805)

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Group Resources applied in the year ended 31 August 2024 towards fixed assets for Charity use:-

	2024 £	2023 £
Funds generated in the year as detailed in the SOFA	56,945	(11,805)
Resources applied on functional fixed assets	(5,965)	(736,886)
Other applications of funds	-	-
Net resources available to fund charitable activities	50,980	(748,691)

The resources applied on fixed assets for charity use represents the cost of additions less proceeds of any disposals.

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2024

Consolidated movements in revenue and capital funds for the year ended 31 August 2024

Revenue accumulated funds

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Last year Total Funds 2023 £
Accumulated funds brought forward	4,279,504	-	4,279,504	4,701,157
Recognised gains and losses before transfers	(183,055)	-	(183,055)	(421,654)
	4,096,449	-	4,096,449	4,279,503
Closing revenue funds	4,096,449	-	4,096,449	4,279,503

Consolidated Revaluation Reserve Fund

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Last year Total Funds 2023 £
At 1 September	409,849	-	409,849	-
Revaluation this year	240,000	-	240,000	409,849
At 31 August	649,849	-	649,849	409,849

Summary of consolidated funds

	Unrestricted and Designated funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Last Year Total Funds 2023 £
Revenue accumulated funds	4,096,449	-	4,096,449	4,279,503
Revaluation reserve fund	649,849	-	649,849	409,849
Total funds	4,746,298	-	4,746,298	4,689,352

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2024

Machzikei Hadass Communities Group

Consolidated Income and Expenditure Account for the year ended 31 August 2024

	2024	2023
	£	£
<i>Income</i>		
Income from operations	5,249,408	5,346,365
Investment income and interest		
Income from investments, other than interest receivable	24,682	6,178
Interest receivable	4,743	3,458
Gross income in the year before exceptional items	5,278,833	5,356,001
Gross income in the year including exceptional items	5,278,833	5,356,001
<i>Expenditure</i>		
Charitable expenditure, excluding depreciation and amortisation	5,424,560	5,731,901
Depreciation and amortisation	4,410	6,120
Governance costs	12,000	12,000
Interest payable	20,918	27,634
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	5,461,888	5,777,655
Net income before tax in the financial year	(183,055)	(421,654)
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	(183,055)	(421,654)
Retained surplus for the financial year	(183,055)	(421,654)

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Balance Sheet as at 31 August 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	10	4,846,524	4,604,968
Current assets			
Stocks		20,000	20,000
Debtors	12	1,132,746	1,075,495
Cash at bank and in hand		333,372	540,077
Total current assets		<u>1,486,118</u>	<u>1,635,572</u>
Creditors: amounts falling due within one year	13	<u>(907,458)</u>	<u>(847,900)</u>
Net current assets		578,660	787,672
		<u>5,425,184</u>	<u>5,392,640</u>
Net assets			
Creditors: amounts falling due after more than one year	14	(678,886)	(703,287)
The total net assets of the charity		<u>4,746,298</u>	<u>4,689,353</u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Restricted funds

-

Unrestricted Funds

Unrestricted Revenue Funds	21	4,096,449	4,279,504
Unrestricted Revaluation Reserve	21	<u>649,849</u>	<u>409,849</u>
		4,746,298	4,689,353
Designated Funds			
Total charity funds		<u>4,746,298</u>	<u>4,689,353</u>

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The Trustees acknowledge their responsibilities for complying with the requirements of charity legislation with respect to accounting records and the preparation of accounts.

The charitable group is subject to audit under charity legislation, and the report of the Charities Act auditor is on page 11.

M Brunner

Trustee

Approved by the board of trustees on 29 June 2025

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group

Consolidated Cash Flow Statement for the year ended 31 August 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash provided by operating activities as shown below	<u>(198,644)</u>	<u>(673,846)</u>
<i>Cash flows from investing activities</i>		
Interest received	4,743	3,458
Other investment income, including rents from investments	24,682	6,178
Purchase of property, plant and equipment	(5,965)	(526,743)
Net cash provided by investing activities	<u>23,460</u>	<u>(517,107)</u>
<i>Cash flows from financing activities</i>		
Repayment of amounts borrowed	(31,520)	(50,020)
Net cash provided by financing activities	<u>(31,520)</u>	<u>(50,020)</u>
Overall cash provided by all activities	<u>(206,704)</u>	<u>(1,240,973)</u>
Cash movements		
Change in cash and cash equivalents from activities in the year ended 31 August 2024	(206,704)	(1,240,973)
Cash and cash equivalents at 1 September 2023	540,077	1,346,833
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash at bank and in hand less overdrafts at 31 August	<u>333,373</u>	<u>105,860</u>

Machzikei Hadass Communities Group

Consolidated Cash Flow Statement for the year ended 31 August 2024

Machzikei Hadass Communities Group

Cash Flow Statement for the year ended 31 August 2024 - Continued

Reconciliation of net income to net cash flow from operating activities

Net income as shown in the Statement of Financial Activities	(183,055)	(421,654)
Adjustments for :-		
Depreciation charges	4,410	6,120
Write downs of investments	-	-
Net unrealised losses on investment assets	-	-
Dividends, interest and rents from investments	(29,425)	(9,636)
Decrease in debtors	(57,251)	(143,778)
Increase in creditors, excluding loans	66,677	(104,898)
Net cash provided by operating activities	(198,644)	(673,846)

Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash in hand at for the year ended 31 August 2024	333,372	540,077
Total cash and cash equivalents	333,372	540,077

Machzikei Hadass Communities Group

Cash Flow Statement for the year ended 31 August 2024 - Continued

Analysis of change in net debt

	At start of year	Cash Flows and	At end of year
Cash	540,077	(206,705)	333,372
		(206,705)	333,372
Loans falling due within one year	(89,642)	7,119	(82,523)
Loans falling due after more than one year	(703,287)	-	(703,287)
Total	(252,852)	(199,586)	(452,438)

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW) , effective January 2016 , , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Control of Group

The parent charity has concluded that control exists over its subsidiaries.

Going Concern

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 31st August 2025, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Risks and future assumptions

The charity is a public benefit entity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Dividends are accrued when the shareholder's right to receive payment is established.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Gift Aid Donations from subsidiaries

FRS 102 requires gift aid payments from subsidiaries to be accounted for consistently with dividends. FRS 102 requires dividends to be recognised when the shareholder's right to receive payment is established. The parent charity's right to receive payment is established when the subsidiary has a legal obligation to distribute its profits to its owners at the reporting date. Therefore, the gift aid payment is not accrued in these individual accounts of the parent charity unless a legal obligation for the subsidiary to make the payment exists at the reporting date.

Policies relating to expenditure on goods and services provided to the charity.

Policies relating to assets, liabilities and provisions and other matters.

Fixed Asset Investments

Fixed asset investments in quoted shares, traded bonds, investment properties and similar investments are shown initially at cost upon acquisition and at their market value at the balance sheet date at the end of the financial period. Investment properties are not depreciated.

Fixed asset investments in unlisted equities are shown at the balance sheet date at the best estimate of their market value, where practicable. Where valuation techniques are considered unreliable or where, in the opinion of the trustees, the costs outweigh the benefits to the users of the accounts, the investment is included at cost, and a review is undertaken at each year end as to whether the asset should be written down.

All gains on fixed asset investments, whether realised or unrealised, are included in row B4 of the Statement of Financial Activities.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Freehold premises	0 % straight line
Leasehold premises	2 % straight line
Plant and machinery	20 % straight line
Motor vehicles	20 % straight line

A regular annual review of the likelihood of asset impairment is undertaken.

No depreciation is provided on freehold property and improvements because it is the practice to maintain the property in a continual state of sound repair. Accordingly, the life is so long and the residual value so high that the Trustees consider that depreciation calculated in accordance with accepted accounting standards would be immaterial.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.

There are no endowment funds.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

4 Significance of financial instruments to the charity's position

There are no significant implications of financial instruments to the charity's financial position or performance, and the related risks, for example the terms and conditions of loans, or the use of hedging to manage financial risk.

5 Net surplus before tax in the financial year

	2024 £	2023 £
The net surplus before tax in the financial year is stated after charging:-		
Depreciation of owned fixed assets	4,410	6,120
Auditors' remuneration	12,000	12,000

6 Interest payable

	2024 £	2023 £
Loan interest	20,918	27,634

7 Gains and losses on revaluation of fixed and intangible assets

Current year

	Current year Unrestricted Funds 2024 £	Current year Restricted Funds 2024 £	Current year Total Funds 2024 £	Prior Year Total Funds 2023 £
Revaluation of :-				
Property	240,000	-	240,000	409,849
	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>409,849</u>

All the revaluations in the prior year were unrestricted.

Prior year

	Prior Year Unrestricted Funds 2023 £	Prior Year Restricted Funds 2023 £	Prior Year Total Funds 2023 £
Revaluation of :-			
Property	409,849	-	409,849
	<u>409,849</u>	<u>-</u>	<u>409,849</u>

8 Staff costs and emoluments

Salary costs	2024 £	2023 £
Administration Salaries	26,500	26,500
Total salaries, wages and related costs	<u>26,500</u>	<u>26,500</u>
Additional Wages included in Rabbinical and Supervisory Services	<u>210,165</u>	<u>220,081</u>

Neither the trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

9 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

10 Tangible fixed assets

<i>Current Year</i>	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2023	4,579,991	103,367	11,779	4,695,137
Additions	1,665	4,300	-	5,965
Surplus on revaluation	240,000	-	-	240,000
At 31 August 2024	4,821,656	107,667	11,779	4,941,102
Depreciation				
At 1 September 2023	-	80,087	10,081	90,168
Charge for the year	-	4,071	339	4,410
At 31 August 2024	-	84,158	10,420	94,578
Net book value				
At 31 August 2024	4,821,656	23,509	1,359	4,846,524
At 31 August 2023	4,579,991	23,280	1,698	4,604,969

<i>Prior Year</i>	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
01 September 2022	3,855,401	101,507	11,779	3,968,687
Additions	524,883	1,860	-	526,743
Surplus on revaluation	409,849	-	-	409,849
Disposals	(210,142)	-	-	(210,142)
01 September 2023	4,579,991	103,367	11,779	4,695,137
Depreciation				
01 September 2022	-	74,391	9,657	84,048
Charge for the year	-	5,696	424	6,120
01 September 2023	-	80,087	10,081	90,168
Net book value				
01 September 2023	4,579,991	23,280	1,698	4,604,969
01 September 2022	3,855,401	27,116	2,122	3,884,639

Investment property is valued by professionals, or by the trustees who have experience in property valuations.

11 Stocks & Work in Progress

2024
£

2023
£

Stocks before write downs

20,000

20,000

20,000

20,000

Analysis of the carrying value of stocks and work in progress by activities

	Work in Progress		Stocks	
	2024	2023	2024	2023
	£	£	£	£
Activity				
Charitable Activities	-	-	20,000	20,000
	-	-	20,000	20,000

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

12 Debtors

	2024	2023
	£	£
Trade debtors	1,113,936	1,053,591
Prepayments and accrued income	8,320	11,149
Other debtors	10,490	10,755
	1,132,746	1,075,495

13 Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans and overdrafts	82,523	89,642
Trade creditors	401,094	338,570
Accruals	20,599	23,946
PAYE, NIC VAT and other taxes	1,250	1,250
Other creditors	401,992	394,492
	907,458	847,900

14 Creditors: amounts falling due after one year

	2024	2023
	£	£
Bank loans and overdrafts	678,886	703,287

15 Loans to trustees included in debtors

There were no loans made to trustees.

16 Guarantees made by the charity on behalf of trustees

There were no guarantees made for trustees.

17 Revaluation reserve

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2024	2024	2024	2023
	£	£	£	£
Current year				
At 1 September 2023	409,849	-	409,849	-
Arising on revaluation during the year	240,000	-	240,000	409,849
At 31 August 2024	649,849	-	649,849	409,849
All the revaluations in the prior year was unrestricted.				
	Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds	
	2023	2023	2023	
	£	£	£	
Prior year				
Arising on revaluation during the year	409,849	-	409,849	
At end of previous year	409,849	-	409,849	

18 Income and Expenditure account summary

	2024	2023
	£	£
At 1 September 2023	4,279,503	4,701,157
Surplus after tax for the year	(183,055)	(421,654)
At 31 August 2024	4,096,448	4,279,503

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

19 Related party transactions

Gift aid totalling £310,000 was payable by Testbell Ltd to its parent Machzikei Hadass Communities. At the year end Machzikei Hadass Communities was owed £333,625 from its subsidiary Testbell Ltd and £458,535 from its subsidiary Erez (M/C) Ltd.

20 Particulars of how particular funds are represented by assets and liabilities

At 31 August 2024	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	4,846,524	-	-	4,846,524
Current Assets	1,486,118	-	-	1,486,118
Current Liabilities	(907,458)	-	-	(907,458)
Long Term Liabilities	(678,886)	-	-	(678,886)
	4,746,298	-	-	4,746,298
At 1 September 2023	Unrestricted funds	Designated funds	Restricted funds	Total Funds
	£	£	£	£
Tangible Fixed Assets	4,604,969	-	-	4,604,969
Current Assets	1,635,572	-	-	1,635,572
Current Liabilities	(847,900)	-	-	(847,900)
Long Term Liabilities	(703,287)	-	-	(703,287)
	4,689,354	-	-	4,689,354

21 Change in total funds over the year as shown in Note 20 , analysed by individual funds

	Funds brought forward from 2023	Movement in funds in 2024	Transfers between funds in 2024	Funds carried forward to 2025
	£	£	£	£
See Note 22				
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	4,279,504	(183,055)	-	4,096,449
Unrestricted Revaluation Reserve	409,849	240,000	-	649,849
Total unrestricted and designated funds	4,689,353	56,945	-	4,746,298
Total charity funds	4,689,353	56,945	-	4,746,298

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2024

22 Analysis of movements in funds over the year as shown in Note 21

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2024	2024	2024	2024
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	5,278,833	(5,461,888)	-	(183,055)
Unrestricted Revaluation Reserve	-	-	240,000	240,000
	5,278,833	(5,461,888)	240,000	56,945

23 The purposes for which the funds as

Unrestricted and designated funds:-

Unrestricted Revenue Funds	These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.
Unrestricted Revaluation Reserve	This fund represents the unrestricted surplus arising on the revaluation of the charity's assets.

Restricted funds:-

Restricted Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.
Restricted Revaluation Reserve	This fund represents the restricted surplus arising on the revaluation of the charity's assets.

24 Ultimate controlling party

The charity is under the control of its trustees.

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2024 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

25 Donations, Grants and Legacies

	Current year Unrestricted Funds 2024 £	Current year Restricted Funds 2024 £	Current year Total Funds 2024 £	Prior Year Total Funds 2023 £
Donations and gifts from individuals				
Sundry Donors	1,602,663	-	1,602,663	1,662,976
Total donations and gifts from individuals	1,602,663	-	1,602,663	1,662,976
	Current year Unrestricted Funds 2024 £	Current year Restricted Funds 2024 £	Current year Total Funds 2024 £	Prior Year Total Funds 2023 £
Revenue grants from government and public bodies				
Community Security Trust	141,260	-	141,260	135,588
Total public sector revenue grants	141,260	-	141,260	135,588
Total Donations, Grants and Legacies	1,743,923	-	1,743,923	1,798,564

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2024 as required by the SORP 2015

26 Income from charitable activities

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total funds
	2024	2024	2024	2023
	£	£	£	£
Primary purpose and ancillary trading				
Trading Income - Subsidiary	3,416,939	-	3,416,939	3,367,366
Shechita and Supervision	88,546	-	88,546	180,435
Total Primary purpose and ancillary trading	3,505,485	-	3,505,485	3,547,801

27 Total Income from charitable activities

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2024	2024	2024	2023
	£	£	£	£
Total income from charitable trading	3,505,485	-	3,505,485	3,547,801
Total from charitable activities	3,505,485	-	3,505,485	3,547,801

28 Investment income

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2024	2024	2024	2023
	£	£	£	£
Property Rental Income (Net)	24,682	-	24,682	6,178
Bank Interest Receivable	4,743	-	4,743	3,458
Total investment income	29,425	-	29,425	9,636

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2024 as required by the SORP 2015

29 Expenditure on charitable activities - Direct spending

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2024	2024	2024	2023
		£	£	£	£
Communal Services	38	70,020	-	70,020	69,277
Maintenance of Religious Buildings	38	279,960	-	279,960	331,543
Rabbinical and Supervisory Services	38	375,463	-	375,463	294,016
Total direct spending		725,443	-	725,443	694,836

30 Expenditure on charitable activities - Charitable trading

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2024	2024	2024	2023
		£	£	£	£
Total costs of Subsidiary Activities		3,020,557	-	3,020,557	3,022,889
Total charitable trading costs		3,020,557	-	3,020,557	3,022,889

31 Expenditure on charitable activities- Grant funding of activities

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2024	2024	2024	2023
		£	£	£	£
Grants made to organisations		1,570,764	-	1,570,764	1,893,893
Total grantmaking costs		1,570,764	-	1,570,764	1,893,893

Breakdown of Grants made to organisations

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds
<i>Current Year</i>		2024	2024	2024
		£	£	£
Sundry Donations		1,570,764	-	1,570,764
		1,570,764	-	1,570,764

Breakdown of Grants made to organisations

		Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds
<i>Prior Year</i>		2023	2023	2023
		£	£	£
Sundry Donations		1,893,893	-	1,893,893
		1,893,893	-	1,893,893

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2024 as required by the SORP 2015

32 Support costs for charitable activities

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2024	2024	2024	2023
	£	£	£	£
<i>Employee costs not included in direct costs</i>				
Salaries - Administrative staff	26,500	-	26,500	26,500
<i>Premises Expenses</i>				
Property insurance	4,500	-	4,500	4,500
Utilities	14,500	-	14,500	14,000
<i>Administrative overheads</i>				
Telephone, internet and computer	6,217	-	6,217	19,339
Stationery, printing and advertising	14,633	-	14,633	22,642
Software licences and expenses	8,853	-	8,853	-
Sundry expenses	998	-	998	5,404
Office Admin	2,755	-	2,755	-
<i>Professional fees paid to advisors other than the auditor or examiner</i>				
Other legal and professional	21,444	-	21,444	23,884
<i>Financial costs</i>				
Bank charges	7,396	-	7,396	4,014
Loan interest	20,918	-	20,918	27,634
Depreciation & Amortisation in total for	4,410	-	4,410	6,120
	133,124	-	133,124	154,037
Total support costs	133,124	-	133,124	154,037

The basis of allocation of costs between activities is described under accounting policies

All the expenditure in the prior year was unrestricted.

33 Other Expenditure - Governance costs

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2024	2024	2024	2023
	£	£	£	£
Auditor's fees	12,000	-	12,000	12,000
Total Governance costs	12,000	-	12,000	12,000

All the expenditure in the prior year was unrestricted.

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2024 as required by the SORP 2015

34 Total Charitable expenditure

<i>Current Year</i>		Current year	Current year	Current year	Prior Year
		Unrestricted	Restricted	Total Funds	Total Funds
		Funds	Funds		
		2024	2024	2024	2023
		£	£	£	£
Total direct spending	38	725,443	-	725,443	694,836
Total charitable trading costs		3,020,557	-	3,020,557	3,022,889
Total grantmaking costs		1,570,764	-	1,570,764	1,893,893
Total support costs		133,124	-	133,124	154,037
Total Governance costs		12,000	-	12,000	12,000
Total charitable expenditure		5,461,888	-	5,461,888	5,777,655

All the expenditure in the prior year was unrestricted.

	Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds
<i>Prior Year</i>	2023	2023	2023
	£	£	£
Total direct spending	694,836	-	694,836
Total charitable trading costs	3,022,889	-	3,022,889
Total grantmaking costs	1,893,893	-	1,893,893
Total support costs	154,037	-	154,037
Total Governance costs	12,000	-	12,000
Total charitable expenditure	5,777,655	-	5,777,655

34a Income and Expenditure Per Entity

	MHC	Erez (M/c) Ltd	Testbell Ltd	Total
Charitable Income etc	1,743,923			1,743,923
Income from activities	88,546		3,416,939	3,505,485
Investment Income	4,743	56,722		61,465
Gain		-		-
	1,837,212	56,722	3,416,939	5,310,873
Charitable Expenditure	2,441,331			2,441,331
Trading Expenditure			3,020,557	3,020,557
Rental Expenses		32,040		32,040
Total Expenditure	2,441,331	32,040	3,020,557	5,493,928
Net	(604,119)	24,682	396,382	(183,055)
Gift Aid	310,000		(310,000)	-
(Deficit)/Surplus	(294,119)	24,682	86,382	(183,055)
Revaluations	240,000			240,000
Total	(54,119)	24,682	86,382	56,945

Machzikei Hadass Communities Group

Activity analysis of Income and expenditure for the for the year ended 31 August 2024

This analysis is classsified by activity and not by conventional nominal descriptions.

35 Analysis of income by activity

	2024 £	2023 £
Activity		
Income from charitable activities		
Charitable Activities	3,505,485	3,547,801
Summary of Total Income, including the items above		
Charitable activities	3,505,485	3,547,801
Donations & Legacies	1,743,924	1,798,563
Investment income	29,425	9,636
Total income as shown in the SOFA	5,278,834	5,356,000
Categories of income		
Income from non exchange transactions	5,350,589	5,069,261
Income from exchange transactions	(71,755)	286,739
	5,278,834	5,356,000

36 Analysis of charitable expenditure by activity

Activity	Direct costs	Support costs	Grant funding of activities	Total	Total
	2024 £	2024 £	2024 £	2024 £	2023 £
Charitable Activities					
Direct costs (see below)	725,443	-	-	725,443	694,836
Charitable trading costs (subsidiary)	3,020,557	-	-	3,020,557	3,022,889
Employee costs not included in direct cost	-	26,500	-	26,500	26,500
Premises expenses	-	19,000	-	19,000	18,500
Administrative overheads	-	33,456	-	33,456	47,385
Professional fees	-	21,444	-	21,444	23,884
Financial costs	-	32,725	-	32,725	37,769
Total Charitable Activities	3,746,000	133,125	-	3,879,125	3,871,763
	Direct costs	Support costs	Grant funding of activities	Total	Total
	2024 £	2024 £	2024 £	2024 £	2023 £
Grant Making					
Grantmaking costs	-	-	1,570,764	1,570,764	1,893,893

Machzikei Hadass Communities Group

Activity analysis of Income and expenditure for the for the year ended 31 August 2024

Summary of charitable costs by activity

	Direct costs	Support costs	Grant funding of activities	Total	Total
	2024	2024	2024	2024	2023
	£	£	£	£	£
Total Charitable Activities	3,746,000	133,125	-	3,879,125	3,871,762
Total Grant Making	-	-	1,570,764	1,570,764	1,893,893
Total Governance costs	-	12,000	-	12,000	12,000
Total charitable expenditure	3,746,000	145,125	1,570,764	5,461,889	5,777,655

The basis of allocation of costs between activities is described under accounting policies

The breakdown of this expenditure by type of spending (ie nominal classification) is detailed in note 34

Analysis of support and governance costs by charitable activities

Activity	Governance	Finance	Human Resources	Other Overheads	Total
Charitable Activities	12,000	32,725	26,500	73,900	145,125

Summary of grant making by activity

	Grants to institutions	Grants to individuals	Support costs	Total	Total
	2024	2024	2024	2024	2023
	£	£	£	£	£
Grant Making	1,570,764	-	-	1,570,764	1,893,893
	1,570,764	-	-	1,570,764	1,893,893

Fuller details of grants made and related costs, including support costs, are shown in note 31.

37 Analysis of non charitable expenditure by activity

Activity	Governance costs	Governance costs
Governance costs	2024	2023
	£	£
Other Expenditure - Governance costs as detailed in Note 33	12,000	12,000

38 Analysis of Direct Costs

	Community Services	Maintenance of Religious Buildings	Rabbinical & Supervisory Services	2024	2023
				Totals	Totals
Salaries, Fees and Commission		11,500	297,140	308,640	257,141
Insurance		16,545		16,545	11,702
Utilities	32,787			32,787	54,652
Travel			52,389	52,389	48,375
Requisites				-	3,632
Repairs & Renewals		17,847		17,847	38,060
Security		141,260		141,260	130,536
Functions and Catering	33,768			33,768	9,860
Shul Rabbinical Expenses			25,934	25,934	-
Mikva Expenses		92,808		92,808	139,745
Sundry	3,465			3,465	1,133
Total Resources Expended -	70,020	279,960	375,463	725,443	694,836

Accounts

Charity Registration Number:- 235459

Machzikei Hadass Communities Group

Report and Accounts

31 August 2023

B Olsberg & Co
Chartered Accountants & Statutory Auditor
Enterprise House 3 Middleton Road
Manchester
M8 5DT

Machzikei Hadass Communities Group

Report and accounts for the year ended 31 August 2023

Contents

	Page
Charity information	1
Trustees' Annual Report	1
Statement of directors' responsibilities	6
Independent Auditors' Report	8
<i>Funds Statements:-</i>	
Statement of Financial Activities	12
Statement of Financial Activities - Prior Year statement	13
Statement of total recognised gains and losses	13
Movements in funds	14
Revaluation reserves	14
Revenue Funds	15
Fixed Asset funds	15
Income and Expenditure account	15
Summary of funds	15
Balance sheet	16
Cash flow statement	17
Notes to the accounts	19

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2023

The Trustees present their Report and Accounts for the year ended 31 August 2023.

Reference and administrative details

The charity name.

The legal name of the charity is:- The Machzikei Hadass Communities.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 235459.

The charity does not operate in any overseas jurisdictions.

Legal structure of the charity

The charity is constituted as an unincorporated charity, established by Trust Deed. The governing document of the charity is the Trust Deed establishing the charity.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

The trustees are all individuals.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2023

The principal operating address is:-

17 Northumberland St.
Salford, Manchester
M7 0FE

The Trustees in office on the date the report was approved were:-

Y A Sanger, A Reich
Y M Salomon, M Brunner

The following persons served as Trustees during the year ended 31 August 2023 :-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

Objects and activities of the charity

The purposes of the charity as set out in its governing document.

The Charitable Trust's objects are to further the observance of orthodox Judaism, to encourage and support the advancement of Orthodox Jewish Religious Education, to establish all institutions required by an orthodox Jewish community and any other charitable activity.

The main activities undertaken in relation to those purposes during the year.

The policy of the Charitable Trust continues to be to support these activities as follows:

- 1) The trustees own several buildings including a synagogue hall and ritual baths. These are used constantly by the Community members. They also own a cemetery.
- 2) The Trustees employ a Rabbi and various supervisory officials to ensure that the highest standard of religious requirements in all spheres of Judaism is achieved and maintained.
- 3) The Charity operates a charity fund voucher account, the surplus in which, is used for its objects.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2023

The main activities undertaken during the year to further the charity's purpose for the public benefit.

The trustees confirm that they have referred to guidance contained in the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance when reviewing the charity's aims and objectives and in planning future activities, and setting the grant policy for the year.

The main achievements and performance of the charity during the year.

The trustees consider that the performance of the charity this year has been satisfactory. It has been able to fund its various activities and distributions as indicated in the SOFA. There were no changes in its activities.

The difference the charity's performance during the year has made to the beneficiaries of the charity, and wider society

The Charity's performance has considerably benefited the beneficiaries in the community it serves and wider afield

Investment powers and performance.

The trustees are authorised to make and hold investments using the general funds of the charity, and these are shown in the balance sheet.

Structure, governance and management of the charity

The methods used to recruit, appoint and train new charity trustees.

The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

Most trustees are already familiar with the practical work of the charity having received guidance from the existing trustees prior to appointment. New trustees are further encouraged to attend training sessions organised by the charity

Machzikei Hadass Communities Group
Trustees' Annual Report for the year ended 31 August 2023

How the subsidiary undertaking(s) is/are constituted and managed.

The charity's subsidiary Testbell Limited continued to operate providing the community with Kosher poultry. Its other subsidiary Erez (M/c) Ltd provides a regular income from its property investments.

Bankers	Royal Bank of Scotland, Manchester
Solicitors	Kuit Steinart Levy, Manchester
Auditors	B Olsberg & Co, Chartered Accountants and Registered Auditors Manchester

Financial review

The charity's financial position at the end of the year ended 31 August 2023

The financial position of the charity at 31 August 2023 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2023	2022
	£	£
Net income	(11,505)	203,962
Unrestricted Revenue Funds available for the general purposes of the charity	4,279,803	4,701,156
Unrestricted revaluation reserve	409,849	-
Total Unrestricted Funds	4,689,652	4,701,156
Total Funds	4,689,652	4,701,156

Financial review of the position at the reporting date, 31 August 2023 .

The charity provided Shechitah and Supervisory services during the year which produced an income of £180,435. Donation and subscriptions received during the year were £1,662,976. Gift aid of £360,000 was received from the charity's wholly owned subsidiary company, Testbell.

The charity paid out charitable grants totalling £1,893,893.

The charity spent £69,277 on communal services which included the cost of running and refurbishing the Mikvas. Maintenance of religious buildings, including security, was £331,543. Rabbinical and Supervisory Services were £294,016.

The cost of Management and Administration was £166,037.

The charity's surplus for the year was -£11,505 (Previous Year £203,962).

The results of the charity's subsidiaries are shown in the accounts.

Funds available are sufficient to permit the Trust to continue in operation in the medium term.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2023

Policies on reserves.

The trustees always wish to retain income to provide for unforeseen contingencies and the amounts retained will fluctuate from year to year.

The amount of distributions made in any period will take into account the necessity to have these reserves available in accordance with the Trustees policy.

The amount of reserves to be held is reviewed annually.

Going Concern

The trustees consider that the going concern basis of accounting in the preparation of the financial statements is appropriate for a period of at least twelve months from the date when the financial statements are authorised for issue and that there are no material uncertainties due to the discretion in making grants and maintaining adequate reserves.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets are available and adequate to fulfil its obligations in respect of each fund.

The major risks to which the Charity is exposed and reviews and systems to mitigate them.

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust. These risks include macro economic factors governing the whole economy that could expose tenants and thereby put value of the investment properties at risk with the associated knock on effect with lenders covenants. Additionally, the charity may be exposed to interest rate increases with reference to loans and their repayment.

The trustees examine the major risks that the charitable trust faces each financial year when preparing and updating its budget. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the charity's future.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2023

Details of The Auditor

B Olsberg FCA

For and on behalf of B Olsberg & Co. - Registered Auditors

3 Middleton Road

Manchester

M8 5DT

Statement as to disclosure of information to auditors

The trustees state that so far as each of the trustees at the time this report was approved are aware:-

- a) There is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

Statement of Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), .

In particular, charity law requires the Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2023

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the Charities Act 2011. 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 Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the auditor in relation to the Trustees' report is limited to examining the report and ensuring that , the report is consistent with the figures disclosed in the financial statements.

This report was approved by the board of trustees on 28 June 2024.

A Reich
Trustee

Machzikei Hadass Communities Group

Independent Auditors' Report to the Trustees of the charity on the consolidated group accounts for the year ended 31 August 2023

Introduction

We have audited the consolidated financial statements of Machzikei Hadass Communities Group for the year ended 31 August 2023, as set out on pages 12 to 26, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Recognised Gains and Losses, the Balance Sheet and the related notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements of the charitable group are prepared, in all material respects, in accordance with charity law applicable within the jurisdiction of England & Wales and, in particular, the accounts have been prepared in accordance with FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016, under the historical cost convention, and in accordance with the accounting policies set out on page 19, which framework constitutes the applicable United Kingdom Generally Accepted Accounting Practice.

Limitation of liability

This report is made solely to the Trustees of the charitable group, as a body, in accordance with the requirements of Section 154 of the Charities Act 2011 (The Act). Our work has been undertaken so that we might state to the 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 liability or responsibility to anyone other than the Trustees as a body, for our work, for this report or for the opinions we have formed.

Basis for our opinion

We have been appointed as auditors under section 144(2) of The Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (ISAs-UK), issued by the Financial Reporting Council, and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 England & Wales, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

As described on page 6, you, the charitable group's Trustees, are responsible for the preparation of the consolidated financial statements for the charitable group in accordance with the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice and for being satisfied that the financial statements give a true and fair view.

The Trustees, who are charged with governance, are responsible for overseeing the charitable group's financial reporting process.

Management is responsible for the preparation of the financial statements in accordance with charity law of the jurisdiction of England & Wales and for such internal control as management determines 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, management is 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 management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Machzikei Hadass Communities Group

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with relevant legal and regulatory requirements and ISAs-UK. Those standards require us to comply with the Ethical Standards for Auditors published by the Financial Reporting Council and to:-

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;

To obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control;

To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the charity;

To conclude on the appropriateness of the charity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern;

To evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements;

We are required to report to the Trustees our opinion as to whether the consolidated financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities (Accounts and Reports) Regulations 2008.

We are also required to report to you if, in our opinion, the Trustees' Annual Report is materially inconsistent with the financial statements, if the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with ISAs-UK and in accordance with the Practice Note 'The Audit of Charities in the United Kingdom', revised in March 2012.

We are required to plan and perform our audit so as to meet the above requirements and to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In the course of our audit, we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Machzikei Hadass Communities Group

Assistance with accountancy and tax matters

In accordance with the exemption provided by APB Ethical Standard – Provisions Available for Smaller Entities, we have prepared and submitted the charity's returns to the tax authorities and assisted with the preparation of the accounts.

Eligibility of auditor and status of audit

We confirm that we are eligible under section 144(2) of the Charities Act 2011 to conduct this audit, and that this report is a report in respect of an audit carried out under the Act and in accordance with the related regulations.

Attention is drawn to the accounting policy stating that, notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, and in order to accord with current best practice, the Trustees have determined to prepare the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP). We concur with this approach, and any references in our report to the regulations should be read subject to this comment.

Opinion on the Financial Statements

In accordance with Regulations 25(g) and (h) of the Charities (Accounts and Reports) Regulations 2008, in our opinion the charity's financial statements:

Give a true and fair view of the state of affairs of the charitable group as at 31 August 2023 and of its Income and Expenditure for the financial year then ended and, in particular, the financial statements have been properly prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to entities of its size and have been properly prepared in accordance with the requirements of the Charities Act 2011; and
have been prepared in accordance with the methods and principles required by the FRS102 Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission in England & Wales (CCEW), effective January 2015 (The SORP), and those methods and principles have been followed.

Machzikei Hadass Communities Group

Matters upon which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

the charitable group has not kept adequate accounting records; or

the financial statements are not in agreement with the accounting records and returns; or

if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

we have not received all the information and explanations we require for our audit.

Signed:-

B Olsberg FCA - Senior Statutory Auditor

For and on behalf of B Olsberg & Co. - Registered Auditors

Chartered Accountants and Registered Auditors

3 Middleton Road
Manchester
M8 5DT

This report was signed on 28 June 2024

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2023

Consolidated Statement of Financial Activities for the year ended 31 August 2023

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2023 £	2023 £	2023 £	2022 £
Income & Endowments from:					
Donations & Legacies	23	1,798,564	-	1,798,564	1,726,802
Charitable activities	24	3,548,101	-	3,548,101	3,244,513
Investments	26	9,636	-	9,636	53,601
Other	27	-	-	-	44,346
Total income		5,356,301	-	5,356,301	5,069,262
Expenditure on:					
Charitable activities	33	5,777,655	-	5,777,655	4,865,300
Total expenditure		5,777,655	-	5,777,655	4,865,300
Net income for the year		(421,354)	-	(421,354)	203,962
Net income after transfers		(421,354)	-	(421,354)	203,962
Other recognised gains/(losses)					
Net gains on revaluation of fixed assets		409,849	-	409,849	-
Net movement in funds		(11,505)	-	(11,505)	203,962
Reconciliation of funds:-					
Total funds brought forward		4,701,156	-	4,701,156	4,497,194
Total funds carried forward		4,689,651	-	4,689,651	4,701,156

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A Statement of Total Recognised Gains and Losses is included as a primary statement in these accounts.

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2023

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 August 2023

	2023 £	2022 £
Surplus for the year :-		
Net excess of income over expenditure from operations before tax	(421,354)	159,616
Realised gains/(losses) on the disposal of tangible fixed assets	-	44,346
Realised gains on disposals of social investments which are programme related	-	-
Income from operations before tax in the Statement of Financial Activities	(421,354)	203,962
Add/(deduct) non income and expenditure items:-		
Gains on the revaluation of tangible fixed assets	409,849	-
Gains and losses on revaluation of fixed and intangible assets	409,849	-
Net Movement in funds before taxation	398,344	203,962
Funds generated in the year as shown on Statement of Financial Activities	398,344	203,962

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Group Resources applied in the year ended 31 August 2023 towards fixed assets for Charity use:-

	2023 £	2022 £
Funds generated in the year as detailed in the SOFA	(11,505)	203,962
Resources applied on functional fixed assets	(316,600)	(144,684)
Other applications of funds	-	-
Net resources available to fund charitable activities	(328,105)	59,278

The resources applied on fixed assets for charity use represents the cost of additions less proceeds of any disposals.

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2023

Consolidated movements in revenue and capital funds for the year ended 31 August 2023

Revenue accumulated funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Last year Total Funds 2022 £
Accumulated funds brought forward	4,701,156	-	4,701,156	4,497,194
Recognised gains and losses before transfers	(421,354)	-	(421,354)	203,962
	4,279,802	-	4,279,802	4,701,156
Closing revenue funds	4,279,802	-	4,279,802	4,701,156

Consolidated Revaluation Reserve Fund

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Last year Total Funds 2022 £
At 1 September	-	-	-	-
Net gains on revaluation of fixed assets	409,849	-	409,849	-
At 31 August	409,849	-	409,849	-

Summary of consolidated funds

	Unrestricted and Designated funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Last Year Total Funds 2022 £
Revenue accumulated funds	4,279,802	-	4,279,802	4,701,156
Revaluation reserve fund	409,849	-	409,849	-
Total funds	4,689,651	-	4,689,651	4,701,156

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2023

Machzikei Hadass Communities Group

Consolidated Income and Expenditure Account for the year ended 31 August 2023

	2023	2022
	£	£
<i>Income</i>		
Income from operations	5,346,665	4,971,315
Investment income and interest		
Income from investments, other than interest receivable	6,178	53,343
Interest receivable	3,458	258
Gross income in the year before exceptional items	5,356,301	5,024,916
<i>Exceptional items:</i>		
Realised gains on disposals of tangible fixed assets	-	44,346
Gross income in the year including exceptional items	5,356,301	5,069,262
<i>Expenditure</i>		
Charitable expenditure, excluding depreciation and amortisation	5,731,901	4,825,946
Depreciation and amortisation	6,120	7,363
Governance costs	12,000	12,000
Interest payable	27,634	19,991
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	5,777,655	4,865,300
Net income before tax in the financial year	(421,354)	203,962
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	(421,354)	203,962
Retained surplus for the financial year	(421,354)	203,962

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Balance Sheet as at 31 August 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	10	4,604,968	3,884,639
Current assets			
Stocks		20,000	20,000
Debtors	12	1,075,495	769,943
Cash at bank and in hand		540,375	1,159,124
Total current assets		<u>1,635,870</u>	<u>1,949,067</u>
Creditors: amounts falling due within one year	13	<u>(847,900)</u>	<u>(406,494)</u>
Net current assets		787,970	1,542,573
Net assets		<u>5,392,938</u>	<u>5,427,212</u>
Creditors: amounts falling due after more than one year	14	(703,287)	(726,056)
The total net assets of the charity		<u>4,689,651</u>	<u>4,701,156</u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Restricted funds

- -

Unrestricted Funds

Unrestricted Revenue Funds	21	4,279,802	4,701,156
Unrestricted Revaluation Reserve	21	<u>409,849</u>	<u>-</u>
		4,689,651	4,701,156

Designated Funds

Total charity funds		<u>4,689,651</u>	<u>4,701,156</u>
----------------------------	--	-------------------------	-------------------------

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The Trustees acknowledge their responsibilities for complying with the requirements of charity legislation with respect to accounting records and the preparation of accounts.

The charitable group is subject to audit under charity legislation, and the report of the Charities Act auditor is on page 11.

A Reich

Trustee

Approved by the board of trustees on 28 June 2024

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group

Consolidated Cash Flow Statement for the year ended 31 August 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash provided by operating activities as shown below	<u>(280,142)</u>	<u>(135,298)</u>
<i>Cash flows from investing activities</i>		
Interest received	3,458	258
Other investment income, including rents from investments	6,178	53,343
Proceeds from sales of investments	210,143	44,346
Purchase of property, plant and equipment	(526,743)	(100,338)
Net cash provided by investing activities	<u>(306,964)</u>	<u>(2,391)</u>
<i>Cash flows from financing activities</i>		
Repayment of amounts borrowed	(31,643)	(50,020)
Net cash provided by financing activities	<u>(31,643)</u>	<u>(50,020)</u>
Overall cash provided by all activities	<u>(618,749)</u>	<u>(187,709)</u>
Cash movements		
Change in cash and cash equivalents from activities in the year ended 31 August 2023	(618,749)	(187,709)
Cash and cash equivalents at 1 September 2022	1,159,124	1,346,833
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash at bank and in hand less overdrafts at 31 August	<u>540,375</u>	<u>1,159,124</u>

Machzikei Hadass Communities Group

Consolidated Cash Flow Statement for the year ended 31 August 2023

Machzikei Hadass Communities Group

Cash Flow Statement for the year ended 31 August 2023 - Continued

Reconciliation of net income to net cash flow from operating activities

Net income as shown in the Statement of Financial Activities	(421,354)	203,962
Adjustments for :-		
Depreciation charges	6,120	7,363
Write downs of investments	-	-
Net unrealised losses on investment assets	-	-
Dividends, interest and rents from investments	(9,636)	(53,601)
Profit on the sale of Fixed and Intangible Assets	-	(44,346)
Decrease in debtors	(305,552)	(143,778)
Increase in creditors, excluding loans	450,280	(104,898)
Net cash provided by operating activities	(280,142)	(135,298)

Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand at for the year ended 31 August 2023	540,375	1,159,124
Total cash and cash equivalents	540,375	1,159,124

Machzikei Hadass Communities Group

Cash Flow Statement for the year ended 31 August 2023 - Continued

Analysis of change in net debt

	At start of year	Cash Flows and	At end of year
Cash	1,159,124	(618,749)	540,375
		(618,749)	540,375
Loans falling due within one year	(98,516)	8,874	(89,642)
Loans falling due after more than one year	(726,056)	-	(726,056)
Total	334,552	(609,875)	(275,323)

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW) , effective January 2016, , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Control of Group

The parent charity has concluded that control exists over its subsidiaries.

Going Concern

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 31st August 2023, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Risks and future assumptions

The charity is a public benefit entity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Dividends are accrued when the shareholder's right to receive payment is established.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Gift Aid Donations from subsidiaries

FRS 102 requires gift aid payments from subsidiaries to be accounted for consistently with dividends. FRS 102 requires dividends to be recognised when the shareholder's right to receive payment is established. The parent charity's right to receive payment is established when the subsidiary has a legal obligation to distribute its profits to its owners at the reporting date. Therefore, the gift aid payment is not accrued in these individual accounts of the parent charity unless a legal obligation for the subsidiary to make the payment exists at the reporting date.

Policies relating to expenditure on goods and services provided to the charity.

Policies relating to assets, liabilities and provisions and other matters.

Fixed Asset Investments

Fixed asset investments in quoted shares, traded bonds, investment properties and similar investments are shown initially at cost upon acquisition and at their market value at the balance sheet date at the end of the financial period. Investment properties are not depreciated.

Fixed asset investments in unlisted equities are shown at the balance sheet date at the best estimate of their market value, where practicable. Where valuation techniques are considered unreliable or where, in the opinion of the trustees, the costs outweigh the benefits to the users of the accounts, the investment is included at cost, and a review is undertaken at each year end as to whether the asset should be written down.

All gains on fixed asset investments, whether realised or unrealised, are included in row B4 of the Statement of Financial Activities.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Freehold premises	0 % straight line
Leasehold premises	2 % straight line
Plant and machinery	20 % straight line
Motor vehicles	20 % straight line

A regular annual review of the likelihood of asset impairment is undertaken.

No depreciation is provided on freehold property and improvements because it is the practice to maintain the property in a continual state of sound repair. Accordingly, the life is so long and the residual value so high that the Trustees consider that depreciation calculated in accordance with accepted accounting standards would be immaterial.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.

There are no endowment funds.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

4 Significance of financial instruments to the charity's position

There are no significant implications of financial instruments to the charity's financial position or performance, and the related risks, for example the terms and conditions of loans, or the use of hedging to manage financial risk.

5 Net surplus before tax in the financial year

	2023	2022
	£	£

The net surplus before tax in the financial year is stated after charging:-

Depreciation of owned fixed assets	6,120	7,363
Auditors' remuneration	12,000	12,000

6 Interest payable

	2023	2022
	£	£

Loan interest	27,634	19,991
---------------	--------	--------

7 Gains and losses on revaluation of fixed and intangible assets

Current year

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2023	2023	2023	2022
	£	£	£	£
Revaluation of :-				
Property	409,849	-	409,849	-
	409,849	-	409,849	-

8 Staff costs and emoluments

Salary costs	2023	2022
	£	£
Administration Salaries	26,500	26,500
Total salaries, wages and related costs	26,500	26,500
Additional Wages included in Rabbinical and Supervisory Services	210,165	220,081

Neither the trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

9 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

10 Tangible fixed assets

<i>Current Year</i>	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2022	3,855,401	101,507	11,779	3,968,687
Additions	524,883	1,860	-	526,743
Surplus on revaluation	409,849	-	-	409,849
Disposals	(210,143)	-	-	(210,143)
At 31 August 2023	4,579,990	103,367	11,779	4,695,136
Depreciation				
At 1 September 2022	-	74,391	9,657	84,048
Charge for the year	-	5,696	424	6,120
At 31 August 2023	-	80,087	10,081	90,168
Net book value				
At 31 August 2023	4,579,990	23,280	1,698	4,604,968
At 31 August 2022	3,855,401	27,116	2,122	3,884,639

<i>Prior Year</i>	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
01 September 2021	3,770,563	86,007	11,779	3,868,349
Additions	84,838	15,500	-	100,338
31 August 2022	3,855,401	101,507	11,779	3,968,687
Depreciation				
01 September 2021	-	67,736	8,949	76,685
Charge for the year	-	6,655	708	7,363
31 August 2022	-	74,391	9,657	84,048
Net book value				
31 August 2022	3,855,401	27,116	2,122	3,884,639
31 August 2021	3,770,563	18,271	2,830	3,791,664

Investment property is valued by professionals, or by the trustees who have experience in property valuations.

11 Stocks & Work in Progress	2023	2022
	£	£
Stocks before write downs	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

Analysis of the carrying value of stocks and work in progress by activities

	Work in Progress		Stocks	
	2023	2022	2023	2022
	£	£	£	£
Activity				
Charitable Activities	-	-	20,000	20,000
	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

12 Debtors

	2023	2022
	£	£
Trade debtors	1,053,591	748,039
Prepayments and accrued income	11,149	11,149
Other debtors	10,755	10,755
	1,075,495	769,943

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	89,642	98,516
Trade creditors	338,570	267,789
Accruals	20,316	20,059
PAYE, NIC VAT and other taxes	1,250	1,250
Other creditors	398,122	18,880
	847,900	406,494

14 Creditors: amounts falling due after one year

	2023	2022
	£	£
Bank loans and overdrafts	703,287	726,056

15 Loans to trustees included in debtors

There were no loans made to trustees.

16 Guarantees made by the charity on behalf of trustees

There were no guarantees made for trustees.

17 Revaluation reserve

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2023	2023	2023	2022
	£	£	£	£
Current year				
At 1 September 2022	-	-	-	-
Arising on revaluation during the year	409,849	-	409,849	-
At 31 August 2023	409,849	-	409,849	-

18 Income and Expenditure account summary

	2023	2022
	£	£
At 1 September 2022	4,701,156	4,497,194
Surplus after tax for the year	(421,354)	203,962
At 31 August 2023	4,279,802	4,701,156

19 Related party transactions

Gift aid totalling £360,000 was payable by Testbell Ltd to its parent Machzikei Hadass Communities. At the year end Machzikei Hadass Communities was owed £333,625 from its subsidiary Testbell Ltd and £523,560 from its subsidiary Erez (M/C) Ltd.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

20 Particulars of how particular funds are represented by assets and liabilities

At 31 August 2023	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	4,604,968	-	-	4,604,968
Current Assets	1,635,870	-	-	1,635,870
Current Liabilities	(847,900)	-	-	(847,900)
Long Term Liabilities	(703,287)	-	-	(703,287)
	4,689,651	-	-	4,689,651

At 1 September 2022	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	3,884,639	-	-	3,884,639
Current Assets	1,949,067	-	-	1,949,067
Current Liabilities	(406,494)	-	-	(406,494)
Long Term Liabilities	(726,056)	-	-	(726,056)
	4,701,156	-	-	4,701,156

21 Change in total funds over the year as shown in Note 20 , analysed by individual funds

	Funds brought forward from 2022	Movement in funds in 2023	Transfers between funds in 2023	Funds carried forward to 2024
	£	See Note 22 £	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	4,701,156	(421,354)	-	4,279,802
Unrestricted Revaluation Reserve	-	409,849	-	409,849
Total unrestricted and designated funds	4,701,156	(11,505)	-	4,689,651
Total charity funds	4,701,156	(11,505)	-	4,689,651

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2023

22 Analysis of movements in funds over the year as shown in Note 21

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2023	2023	2023	2023
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	5,356,301	(5,777,655)	-	(421,354)
Unrestricted Revaluation Reserve	-	-	409,849	409,849
	5,356,301	(5,777,655)	409,849	(11,505)

23 The purposes for which the funds

Unrestricted and designated funds:-

Unrestricted Revenue Funds	These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.
Unrestricted Revaluation Reserve	This fund represents the unrestricted surplus arising on the revaluation of the charity's assets.

Restricted funds:-

Restricted Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.
Restricted Revaluation Reserve	This fund represents the restricted surplus arising on the revaluation of the charity's assets.

24 Ultimate controlling party

The charity is under the control of its trustees.

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2023 as required by the SORP 2015

This analysis is classssified by conventional nominal descriptions and not by activity.

25 Donations, Grants and Legacies

	Current year Unrestricted Funds 2023 £	Current year Restricted Funds 2023 £	Current year Total Funds 2023 £	Prior Year Total Funds 2022 £
Donations and gifts from individuals				
Sundry Donors	1,662,976	-	1,662,976	1,590,977
Total donations and gifts from individuals	1,662,976	-	1,662,976	1,590,977
	Current year Unrestricted Funds 2023 £	Current year Restricted Funds 2023 £	Current year Total Funds 2023 £	Prior Year Total Funds 2022 £
Revenue grants from government and public bodies				
Community Security Trust	135,588	-	135,588	135,825
Total public sector revenue grants	135,588	-	135,588	135,825
Total Donations, Grants and Legacies	1,798,564	-	1,798,564	1,726,802

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2023 as required by the SORP 2015

26 Income from charitable activities

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total funds
	2023	2023	2023	2022
	£	£	£	£
Primary purpose and ancillary trading				
Trading Income - Subsidiary	3,367,666	-	3,367,666	2,966,492
Shechita and Supervision	180,435	-	180,435	278,021
Total Primary purpose and ancillary trading	3,548,101	-	3,548,101	3,244,513

27 Total Income from charitable activities

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2023	2023	2023	2022
	£	£	£	£
Total income from charitable trading	3,548,101	-	3,548,101	3,244,513
Total from charitable activities	3,548,101	-	3,548,101	3,244,513

28 Investment income

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2023	2023	2023	2022
	£	£	£	£
Property Rental Income (Net)	6,178	-	6,178	53,343
Bank Interest Receivable	3,458	-	3,458	258
Total investment income	9,636	-	9,636	53,601

29 Other income and gains

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2023	2023	2023	2022
	£	£	£	£
Realised gains on disposals of tangible fixed assets	-	-	-	44,346
Total other income	-	-	-	44,346

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2023 as required by the SORP 2015

30 Expenditure on charitable activities - Direct spending

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2023	2023	2023	2022
		£	£	£	£
Communal Services	38	69,277	-	69,277	97,475
Maintenance of Religious Buildings	38	331,543	-	331,543	347,145
Rabbinical and Supervisory Services	38	294,016	-	294,016	251,045
Total direct spending		694,836	-	694,836	695,665

31 Expenditure on charitable activities - Charitable trading

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2023	2023	2023	2022
		£	£	£	£
Total costs of Subsidiary Activities		3,022,889	-	3,022,889	2,623,058
Total charitable trading costs		3,022,889	-	3,022,889	2,623,058

32 Expenditure on charitable activities- Grant funding of activities

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2023	2023	2023	2022
		£	£	£	£
Grants made to organisations		1,893,893	-	1,893,893	1,374,260
Total grantmaking costs		1,893,893	-	1,893,893	1,374,260

Breakdown of Grants made to organisations

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds
<i>Current Year</i>		2023	2023	2023
		£	£	£
Sundry Donations		1,893,893	-	1,893,893
		1,893,893	-	1,893,893

Breakdown of Grants made to organisations

		Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds
<i>Prior Year</i>		2022	2022	2022
		£	£	£
Sundry Donations		1,374,260	-	1,374,260
		1,374,260	-	1,374,260

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2023 as required by the SORP 2015

33 Support costs for charitable activities

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2023	2023	2023	2022
	£	£	£	£
<i>Employee costs not included in direct costs</i>				
Salaries - Administrative staff	26,500	-	26,500	26,500
<i>Premises Expenses</i>				
Property insurance	4,500	-	4,500	4,500
Utilities	14,000	-	14,000	14,000
<i>Administrative overheads</i>				
Telephone, internet and computer	19,339	-	19,339	12,000
Stationery, printing and advertising	22,642	-	22,642	27,465
Sundry expenses	5,404	-	5,404	2,797
<i>Professional fees paid to advisors other than the auditor or examiner</i>				
Other legal and professional	23,884	-	23,884	40,013
<i>Financial costs</i>				
Bank charges	4,014	-	4,014	5,688
Loan interest	27,634	-	27,634	19,991
Depreciation & Amortisation in total for	6,120	-	6,120	7,363
	154,037	-	154,037	160,317
Total support costs	154,037	-	154,037	160,317

The basis of allocation of costs between activities is described under accounting policies

All the expenditure in the prior year was unrestricted.

34 Other Expenditure - Governance costs

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2023	2023	2023	2022
	£	£	£	£
Auditor's fees	12,000	-	12,000	12,000
Total Governance costs	12,000	-	12,000	12,000

All the expenditure in the prior year was unrestricted.

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2023 as required by the SORP 2015

35 Total Charitable expenditure

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2023	2023	2023	2022
		£	£	£	£
Current Year					
Total direct spending	38	694,836	-	694,836	695,665
Total charitable trading costs		3,022,889	-	3,022,889	2,623,058
Total grantmaking costs		1,893,893	-	1,893,893	1,374,260
Total support costs		154,037	-	154,037	160,317
Total Governance costs		12,000	-	12,000	12,000
Total charitable expenditure		5,777,655	-	5,777,655	4,865,300

All the expenditure in the prior year was unrestricted.

	Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds
	2022	2022	2022
	£	£	£
Prior Year			
Total direct spending	695,665	-	695,665
Total charitable trading costs	2,623,058	-	2,623,058
Total grantmaking costs	1,374,260	-	1,374,260
Total support costs	160,317	-	160,317
Total Governance costs	12,000	-	12,000
Total charitable expenditure	4,865,300	-	4,865,300

34 Income and Expenditure Per Entity

	MHC	Erez (M/c) Ltd	Testbell Ltd	Total
Charitable Income etc	1,798,564			1,798,564
Income from activities	180,435		3,367,666	3,548,101
Investment Income	3,458	38,218		41,676
Gain		-		-
	<u>1,982,457</u>	<u>38,218</u>	<u>3,367,666</u>	<u>5,388,341</u>
Charitable Expenditure	2,754,766			2,754,766
Trading Expenditure			3,022,889	3,022,889
Rental Expenses		32,040		32,040
Total Expenditure	<u>2,754,766</u>	<u>32,040</u>	<u>3,022,889</u>	<u>5,809,695</u>
Net	(772,309)	6,178	344,777	(421,354)
Gift Aid	360,000		(360,000)	-
(Deficit)/Surplus	<u>(412,309)</u>	<u>6,178</u>	<u>(15,223)</u>	<u>(421,354)</u>

Machzikei Hadass Communities Group

Activity analysis of Income and expenditure for the for the year ended 31 August 2023

This analysis is classssified by activity and not by conventional nominal descriptions.

36 Analysis of income by activity

	2023 £	2022 £
Activity		
Income from charitable activities		
Charitable Activities	3,548,101	3,244,513
Summary of Total Income, including the items above		
Charitable activities	3,548,101	3,244,513
Donations & Legacies	1,798,563	1,726,802
Investment income	9,636	53,600
Other income	-	44,346
Total income as shown in the SOFA	5,356,300	5,069,261
Categories of income		
Income from non exchange transactions	5,350,589	5,069,261
Income from exchange transactions	5,711	-
	5,356,300	5,069,261

37 Analysis of charitable expenditure by activity

Activity	Direct costs	Support costs	Grant funding of activities	Total	Total
	2023 £	2023 £	2023 £	2023 £	2022 £
Charitable Activities					
Direct costs (see below)	694,836	-	-	694,836	695,665
Charitable trading costs (subsidiary)	3,022,889	-	-	3,022,889	2,623,058
Employee costs not included in direct cost	-	26,500	-	26,500	26,500
Premises expenses	-	18,500	-	18,500	18,500
Administrative overheads	-	47,385	-	47,385	42,261
Professional fees	-	23,884	-	23,884	40,013
Financial costs	-	37,769	-	37,769	33,043
Total Charitable Activities	3,717,725	154,038	-	3,871,763	3,479,040
	Direct costs	Support costs	Grant funding of activities	Total	Total
	2023 £	2023 £	2023 £	2023 £	2022 £
Grant Making					
Grantmaking costs	-	-	1,893,893	1,893,893	1,374,260

Machzikei Hadass Communities Group

Activity analysis of Income and expenditure for the for the year ended 31 August 2023

Summary of charitable costs by activity

	Direct costs	Support costs	Grant funding of activities	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Total Charitable Activities	3,717,725	154,038	-	3,871,763	3,479,040
Total Grant Making	-	-	1,893,893	1,893,893	1,374,260
Total Governance costs	-	12,000	-	12,000	12,000
Total charitable expenditure	3,717,725	166,038	1,893,893	5,777,656	4,865,300

The basis of allocation of costs between activities is described under accounting policies

The breakdown of this expenditure by type of spending (ie nominal classification) is detailed in note 35

Analysis of support and governance costs by charitable activities

Activity	Governance	Finance	Human Resources	Other Overheads	Total
Charitable Activities	12,000	37,769	26,500	89,769	166,038

Summary of grant making by activity

	Grants to institutions	Grants to individuals	Support costs	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Grant Making	1,893,893	-	-	1,893,893	1,374,260
	1,893,893	-	-	1,893,893	1,374,260

Fuller details of grants made and related costs, including support costs, are shown in note 32.

38 Analysis of non charitable expenditure by activity

Activity

Governance costs	Governance costs 2023	Governance costs 2022
	£	£
Other Expenditure - Governance costs as detailed in Note 34	12,000	12,000

38 Analysis of Direct Costs

	Community Services	Maintenance of Religious Buildings	Rabbinical & Supervisory Services	2023 Totals	2022 Totals
Salaries, Fees and Commission		11,500	245,641	257,141	195,165
Insurance		11,702		11,702	26,844
Utilities	54,652			54,652	41,132
Travel			48,375	48,375	67,380
Requisites and Sundry	3,632			3,632	7,410
Repairs & Renewals		38,060		38,060	50,057
Security		130,536		130,536	125,931
Functions and Catering	9,860			9,860	47,549
Mikva Expenses		139,745		139,745	132,813
Sundry	1,133			1,133	1,384
Total Resources Expended -	69,277	331,543	294,016	694,836	695,665

THE MACHZIKEI HADASS COMMUNITIES

England & Wales - Charity number 235459

Accounts

Charity Registration Number:- 235459

Machzikei Hadass Communities Group

Report and Accounts

31 August 2022

B Olsberg & Co
Chartered Accountants & Statutory Auditor
Enterprise House 3 Middleton Road
Manchester
M8 5DT

Machzikei Hadass Communities Group

Report and accounts for the year ended 31 August 2022

Contents

	Page
Charity information	1
Trustees' Annual Report	1
Statement of directors' responsibilities	6
Independent Auditors' Report	8
<i>Funds Statements:-</i>	
Statement of Financial Activities	12
Statement of Financial Activities - Prior Year statement	13
Statement of total recognised gains and losses	13
Movements in funds	14
Revaluation reserves	14
Revenue Funds	15
Fixed Asset funds	15
Income and Expenditure account	15
Summary of funds	15
Balance sheet	16
Cash flow statement	17
Notes to the accounts	19

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2022

The Trustees present their Report and Accounts for the year ended 31 August 2022.

Reference and administrative details

The charity name.

The legal name of the charity is:- The Machzikei Hadass Communities.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 235459.

The charity does not operate in any overseas jurisdictions.

Legal structure of the charity

The charity is constituted as an unincorporated charity, established by Trust Deed. The governing document of the charity is the Trust Deed establishing the charity.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

The trustees are all individuals.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2022

The principal operating address is:-

17 Northumberland St.
Salford, Manchester
M7 0FE

The Trustees in office on the date the report was approved were:-

Y A Sanger, A Reich
Y M Salomon, M Brunner

The following persons served as Trustees during the year ended 31 August 2022 :-

The trustees who served as a trustee in the reporting period were as shown above, and there were no changes during the year, or in the period between the year end and the approval of the accounts.

Objects and activities of the charity

The purposes of the charity as set out in its governing document.

The Charitable Trust's objects are to further the observance of orthodox Judaism, to encourage and support the advancement of Orthodox Jewish Religious Education, to establish all institutions required by an orthodox Jewish community and any other charitable activity.

The main activities undertaken in relation to those purposes during the year.

The policy of the Charitable Trust continues to be to support these activities as follows:

- 1) The trustees own several buildings including a synagogue hall and ritual baths. These are used constantly by the Community members. They also own a cemetery.
- 2) The Trustees employ a Rabbi and various supervisory officials to ensure that the highest standard of religious requirements in all spheres of Judaism is achieved and maintained.
- 3) The Charity operates a charity fund voucher account, the surplus in which, is used for its objects.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2022

The main activities undertaken during the year to further the charity's purpose for the public benefit.

The trustees confirm that they have referred to guidance contained in the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance when reviewing the charity's aims and objectives and in planning future activities, and setting the grant policy for the year.

The main achievements and performance of the charity during the year.

The trustees consider that the performance of the charity this year has been satisfactory. It has been able to fund its various activities and distributions as indicated in the SOFA. There were no changes in its activities.

The difference the charity's performance during the year has made to the beneficiaries of the charity, and wider society

The Charity's performance has considerably benefited the beneficiaries in the community it serves and wider afield

Investment powers and performance.

The trustees are authorised to make and hold investments using the general funds of the charity, and these are shown in the balance sheet.

Structure, governance and management of the charity

The methods used to recruit, appoint and train new charity trustees.

The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

Most trustees are already familiar with the practical work of the charity having received guidance from the existing trustees prior to appointment. New trustees are further encouraged to attend training sessions organised by the charity

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2022

How the subsidiary undertaking(s) is/are constituted and managed.

The charity's trading subsidiary Testbell Limited continued to operate providing the community with Kosher poultry. Its other subsidiary Erez (M/c) Ltd provides a regular income from its property investments.

Bankers	Royal Bank of Scotland, Manchester
Solicitors	Kuit Steinart Levy, Manchester
Auditors	B Olsberg & Co, Chartered Accountants and Registered Auditors, Manchester

Financial review

The charity's financial position at the end of the year ended 31 August 2022

The financial position of the charity at 31 August 2022 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2022	2021
	£	£
Net income	203,962	368,600
Unrestricted Revenue Funds available for the general purposes of the charity	4,701,156	4,497,194
Total Funds	4,701,156	4,497,194

Financial review of the position at the reporting date, 31 August 2022 .

The charity provided Shechitah and Supervisory services during the year which produced an income of £278,021. Donation and subscriptions received during the year were £1,590,977. Gift aid of £370,000 was received from the charity's wholly owned subsidiary company, Testbell.

The charity paid out charitable grants totalling £1,374,260.

The charity spent £97,475 on communal services which included the cost of running and refurbishing the Mikvas. Maintenance of religious buildings, including security, was £347,145. Rabbinical and Supervisory Services were £251,045.

The cost of Management and Administration was £172,317.

The charity's surplus for the year was £203,962 (Previous Year £368,600).

The results of the charity's subsidiaries are shown in the accounts.

Funds available are sufficient to permit the Trust to continue in operation in the medium term.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2022

Policies on reserves.

The trustees always wish to retain income to provide for unforeseen contingencies and the amounts retained will fluctuate from year to year.

The amount of distributions made in any period will take into account the necessity to have these reserves available in accordance with the Trustees policy.

The amount of reserves to be held is reviewed annually.

Going Concern

The trustees consider that the going concern basis of accounting in the preparation of the financial statements is appropriate for a period of at least twelve months from the date when the financial statements are authorised for issue and that there are no material uncertainties due to the discretion in making grants and maintaining adequate reserves.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

The major risks to which the Charity is exposed and reviews and systems to mitigate them.

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust. These risks include macro economic factors governing the whole economy that could expose tenants and thereby put value of the investment properties at risk with the associated knock on effect with lenders covenants. Additionally, the charity may be exposed to interest rate increases with reference to loans and their repayment.

The trustees examine the major risks that the charitable trust faces each financial year when preparing and updating its budget. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the charity's future.

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2022

Details of The Auditor

B Olsberg FCA

Member of Chartered Accountants and Registered Auditors

3 Middleton Road

Manchester

M8 5DT

Statement as to disclosure of information to auditors

The trustees state that so far as each of the trustees at the time this report was approved are aware:-

- a) There is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

Statement of Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), .

In particular, charity law requires the Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

Machzikei Hadass Communities Group

Trustees' Annual Report for the year ended 31 August 2022

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the Charities Act 2011. 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 Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the auditor in relation to the Trustees' report is limited to examining the report and ensuring that , the report is consistent with the figures disclosed in the financial statements.

This report was approved by the board of trustees on 28 June 2023.

A Reich
Trustee

Machzikei Hadass Communities Group

Independent Auditors' Report to the Trustees of the charity on the consolidated group accounts for the year ended 31 August 2022

Introduction

We have audited the consolidated financial statements of Machzikei Hadass Communities Group for the year ended 31 August 2022, as set out on pages 12 to 26, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Recognised Gains and Losses, the Balance Sheet and the related notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements of the charitable group are prepared, in all material respects, in accordance with charity law applicable within the jurisdiction of England & Wales and, in particular, the accounts have been prepared in accordance with FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW), effective January 2016, under the historical cost convention, and in accordance with the accounting policies set out on page 19, which framework constitutes the applicable United Kingdom Generally Accepted Accounting Practice.

Limitation of liability

This report is made solely to the Trustees of the charitable group, as a body, in accordance with the requirements of Section 154 of the Charities Act 2011 (The Act). Our work has been undertaken so that we might state to the 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 liability or responsibility to anyone other than the Trustees as a body, for our work, for this report or for the opinions we have formed.

Basis for our opinion

We have been appointed as auditors under section 144(2) of The Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (ISAs-UK), issued by the Financial Reporting Council, and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 England & Wales, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

As described on page 6, you, the charitable group's Trustees, are responsible for the preparation of the consolidated financial statements for the charitable group in accordance with the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice and for being satisfied that the financial statements give a true and fair view.

The Trustees, who are charged with governance, are responsible for overseeing the charitable group's financial reporting process.

Management is responsible for the preparation of the financial statements in accordance with charity law of the jurisdiction of England & Wales and for such internal control as management determines 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, management is 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 management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Machzikei Hadass Communities Group

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with relevant legal and regulatory requirements and ISAs-UK. Those standards require us to comply with the Ethical Standards for Auditors published by the Financial Reporting Council and to:-

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;

To obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control;

To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the charity;

To conclude on the appropriateness of the charity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern;

To evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements;

We are required to report to the Trustees our opinion as to whether the consolidated financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities (Accounts and Reports) Regulations 2008.

We are also required to report to you if, in our opinion, the Trustees' Annual Report is materially inconsistent with the financial statements, if the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with ISAs-UK and in accordance with the Practice Note 'The Audit of Charities in the United Kingdom', revised in March 2012.

We are required to plan and perform our audit so as to meet the above requirements and to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In the course of our audit, we communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Machzikei Hadass Communities Group

Assistance with accountancy and tax matters

In accordance with the exemption provided by APB Ethical Standard – Provisions Available for Smaller Entities, we have prepared and submitted the charity's returns to the tax authorities and assisted with the preparation of the accounts.

Eligibility of auditor and status of audit

We confirm that we are eligible under section 144(2) of the Charities Act 2011 to conduct this audit, and that this report is a report in respect of an audit carried out under the Act and in accordance with the related regulations.

Attention is drawn to the accounting policy stating that, notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, and in order to accord with current best practice, the Trustees have determined to prepare the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), . We concur with this approach, and any references in our report to the regulations should be read subject to this comment.

Opinion on the Financial Statements

In accordance with Regulations 25(g) and (h) of the Charities (Accounts and Reports) Regulations 2008, in our opinion the charity's financial statements:

Give a true and fair view of the state of affairs of the charitable group as at 31 August 2022 and of its Income and Expenditure for the financial year then ended and, in particular, the financial statements have been properly prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to entities of its size and have been properly prepared in accordance with the requirements of the Charities Act 2011; and

have been prepared in accordance with the methods and principles required by the FRS102 Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission in England & Wales (CCEW) , effective January 2015 (The SORP), and those methods and principles have been followed.

Machzikei Hadass Communities Group

Matters upon which we are required to report by exception

We have nothing to report in respect of the following matters where the requires us to report to you, if in our opinion:

the charitable group has not kept adequate accounting records; or

the financial statements are not in agreement with the accounting records and returns; or

if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

we have not received all the information and explanations we require for our audit.

Signed:-

B Olsberg FCA - Senior Statutory Auditor

For and on behalf of B Olsberg & Co. - Registered Auditors

Chartered Accountants and Registered Auditors

3 Middleton Road
Manchester
M8 5DT

This report was signed on 28 June 2023

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2022

Consolidated Statement of Financial Activities for the year ended 31 August 2022

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2022	2022	2022	2021
		£	£	£	£
Income & Endowments from:					
Donations & Legacies	23	1,726,802	-	1,726,802	1,757,521
Charitable activities	24	3,244,513	-	3,244,513	2,848,501
Investments	26	53,601	-	53,601	76,060
Other	27	44,346	-	44,346	-
Total income		5,069,262	-	5,069,262	4,682,082
Expenditure on:					
Charitable activities	33	4,865,300	-	4,865,300	4,313,482
Total expenditure		4,865,300	-	4,865,300	4,313,482
Net income for the year		203,962	-	203,962	368,600
Net income after transfers		203,962	-	203,962	368,600
Net movement in funds		203,962	-	203,962	368,600
Reconciliation of funds:-					
Total funds brought forward		4,497,194	-	4,497,194	4,128,594
Total funds carried forward		4,701,156	-	4,701,156	4,497,194

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A Statement of Total Recognised Gains and Losses is included as a primary statement in these accounts.

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2022

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 August 2022

	2022 £	2021 £
Surplus for the year :-		
Net excess of income over expenditure from operations before tax	159,616	368,600
Realised gains/(losses) on the disposal of tangible fixed assets	44,346	-
Realised gains on disposals of social investments which are programme related	-	-
<i>Income from operations before tax in the Statement of Financial Activities</i>	203,962	368,600
Net Movement in funds before taxation	203,962	368,600
Funds generated in the year as shown on Statement of Financial Activities	203,962	368,600

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Group Resources applied in the year ended 31 August 2022 towards fixed assets for Charity use:-

	2022 £	2021 £
Funds generated in the year as detailed in the SOFA	203,962	368,600
Resources applied on functional fixed assets	(144,684)	(236,432)
Other applications of funds	-	-
Net resources available to fund charitable activities	59,278	132,168

The resources applied on fixed assets for charity use represents the cost of additions less proceeds of any disposals.

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2022

Consolidated movements in revenue and capital funds for the year ended 31 August 2022

Revenue accumulated funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Last year Total Funds 2021 £
Accumulated funds brought forward	4,497,194	-	4,497,194	4,128,594
Recognised gains and losses before transfers	203,962	-	203,962	368,600
	4,701,156	-	4,701,156	4,497,194
Closing revenue funds	4,701,156	-	4,701,156	4,497,194

Summary of consolidated funds

	Unrestricted and Designated funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Last Year Total Funds 2021 £
Revenue accumulated funds	4,701,156	-	4,701,156	4,497,194

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Consolidated Statement of Financial Activities for the year ended 31 August 2022

Machzikei Hadass Communities Group

Consolidated Income and Expenditure Account for the year ended 31 August 2022

	2022 £	2021 £
Income		
Income from operations	4,971,315	4,606,022
Investment income and interest		
Income from investments, other than interest receivable	53,343	49,702
Interest receivable	258	26,358
Gross income in the year before exceptional items	5,024,916	4,682,082
Exceptional items:		
Realised gains on disposals of tangible fixed assets	44,346	-
Gross income in the year including exceptional items	5,069,262	4,682,082
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	4,825,946	4,275,935
Depreciation and amortisation	7,363	5,386
Governance costs	12,000	12,000
Interest payable	19,991	20,161
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	4,865,300	4,313,482
Net income before tax in the financial year	203,962	368,600
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	203,962	368,600
Retained surplus for the financial year	203,962	368,600

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group - Balance Sheet as at 31 August 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	9	3,884,639	3,791,664
Current assets			
Stocks		20,000	20,000
Debtors	11	769,943	626,165
Cash at bank and in hand		1,159,124	1,346,833
Total current assets		<u>1,949,067</u>	<u>1,992,998</u>
Creditors: amounts falling due within one year	12	<u>(406,494)</u>	<u>(510,674)</u>
Net current assets		1,542,573	1,482,324
		<u>5,427,212</u>	<u>5,273,988</u>
Net assets			
Creditors: amounts falling due after more than one year	13	(726,056)	(776,794)
The total net assets of the charity		<u>4,701,156</u>	<u>4,497,194</u>

The total net assets of the charity are funded by the funds of the charity, as follows:-

Restricted funds

-

Unrestricted Funds

Unrestricted Revenue Funds	19	4,701,156	4,497,194
		<u>4,701,156</u>	<u>4,497,194</u>

Designated Funds

Total charity funds		<u>4,701,156</u>	<u>4,497,194</u>
----------------------------	--	-------------------------	-------------------------

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The Trustees acknowledge their responsibilities for complying with the requirements of charity legislation with respect to accounting records and the preparation of accounts.

The charitable group is subject to audit under charity legislation, and the report of the Charities Act auditor is on page 11.

A Reich

Trustee

Approved by the board of trustees on 28 June 2023

The notes attached on pages 19 to 26 form an integral part of these accounts.

Machzikei Hadass Communities Group

Consolidated Cash Flow Statement for the year ended 31 August 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by operating activities as shown below	<u>(135,298)</u>	<u>396,527</u>
<i>Cash flows from investing activities</i>		
Interest received	258	26,358
Other investment income, including rents from investments	53,343	49,702
Proceeds from sales of investments	44,346	-
Purchase of property, plant and equipment	(100,338)	(236,432)
Net cash provided by investing activities	<u>(2,391)</u>	<u>(160,372)</u>
<i>Cash flows from financing activities</i>		
Repayment of amounts borrowed	(50,020)	(4,781)
Net cash provided by financing activities	<u>(50,020)</u>	<u>(4,781)</u>
Overall cash provided by all activities	<u>(187,709)</u>	<u>231,374</u>
Cash movements		
Change in cash and cash equivalents from activities in the year ended 31 August 2022	(187,709)	231,374
Cash and cash equivalents at 1 September 2021	1,346,833	1,115,459
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash at bank and in hand less overdrafts at 31 August	<u>1,159,124</u>	<u>1,346,833</u>

Machzikei Hadass Communities Group

Consolidated Cash Flow Statement for the year ended 31 August 2022

Machzikei Hadass Communities Group

Cash Flow Statement for the year ended 31 August 2022 - Continued

Reconciliation of net income to net cash flow from operating activities

Net income as shown in the Statement of Financial Activities	203,962	368,600
Adjustments for :-		
Depreciation charges	7,363	5,386
Write downs of investments	-	-
Net unrealised losses on investment assets	-	-
Dividends, interest and rents from investments	(53,601)	(76,060)
Loss on the sale of Fixed and Intangible Assets	(44,346)	-
Decrease in debtors	(143,778)	(101,040)
Increase in creditors, excluding loans	(104,898)	199,641
Net cash provided by operating activities	(135,298)	396,527

Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand at for the year ended 31 August 2022	1,159,124	1,346,833
Total cash and cash equivalents	1,159,124	1,346,833

Machzikei Hadass Communities Group

Cash Flow Statement for the year ended 31 August 2022 - Continued

Analysis of change in net debt

	At start of year	Cash Flows and	At end of year
Cash	1,346,833	(187,709)	1,159,124
		(187,709)	1,159,124
Loans falling due within one year	(97,798)	(718)	(98,516)
Loans falling due after more than one year	(776,794)	-	(776,794)
Total	472,241	(188,427)	283,814

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW) , effective January 2016, , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Control of Group

The parent charity has concluded that control exists over its subsidiaries.

Going Concern

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these uncertain funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 31st August 2023, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Risks and future assumptions

The charity is a public benefit entity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Dividends are accrued when the shareholder's right to receive payment is established.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Gift Aid Donations from subsidiaries

FRS 102 requires gift aid payments from subsidiaries to be accounted for consistently with dividends. FRS 102 requires dividends to be recognised when the shareholder's right to receive payment is established. The parent charity's right to receive payment is established when the subsidiary has a legal obligation to distribute its profits to its owners at the reporting date. Therefore, the gift aid payment is not accrued in these individual accounts of the parent charity unless a legal obligation for the subsidiary to make the payment exists at the reporting date.

Policies relating to expenditure on goods and services provided to the charity.

Policies relating to assets, liabilities and provisions and other matters.

Fixed Asset Investments

Fixed asset investments in quoted shares, traded bonds, investment properties and similar investments are shown initially at cost upon acquisition and at their market value at the balance sheet date at the end of the financial period. Investment properties are not depreciated.

Fixed asset investments in unlisted equities are shown at the balance sheet date at the best estimate of their market value, where practicable. Where valuation techniques are considered unreliable or where, in the opinion of the trustees, the costs outweigh the benefits to the users of the accounts, the investment is included at cost, and a review is undertaken at each year end as to whether the asset should be written down.

All gains on fixed asset investments, whether realised or unrealised, are included in row B4 of the Statement of Financial Activities.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Freehold premises	0 % straight line
Leasehold premises	2 % straight line
Plant and machinery	20 % straight line
Motor vehicles	25 % straight line

A regular annual review of the likelihood of asset impairment is undertaken.

No depreciation is provided on freehold property and improvements because it is the practice to maintain the property in a continual state of sound repair. Accordingly, the life is so long and the residual value so high that the Trustees consider that depreciation calculated in accordance with accepted accounting standards would be immaterial.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.

There are no endowment funds.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

4 Significance of financial instruments to the charity's position

There are no significant implications of financial instruments to the charity's financial position or performance, and the related risks, for example the terms and conditions of loans, or the use of hedging to manage financial risk.

5 Net surplus before tax in the financial year

	2022 £	2021 £
The net surplus before tax in the financial year is stated after charging:-		
Depreciation of owned fixed assets	7,363	5,386
Auditors' remuneration	12,000	12,000

6 Interest payable

	2022 £	2021 £
Loan interest	19,991	20,161

7 Staff costs and emoluments

<i>Salary costs</i>	2022 £	2021 £
Administration Salaries	26,500	26,500
Total salaries, wages and related costs	26,500	26,500
Additional Wages included in Rabbinical and Supervisory Services	210,165	220,081

Neither the trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

8 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

9 Tangible fixed assets

<i>Current Year</i>	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 September 2021	3,770,563	86,007	11,779	3,868,349
Additions	84,838	15,500	-	100,338
At 31 August 2022	3,855,401	101,507	11,779	3,968,687
Depreciation				
At 1 September 2021	-	67,736	8,949	76,685
Charge for the year	-	6,655	708	7,363
At 31 August 2022	-	74,391	9,657	84,048
Net book value				
At 31 August 2022	3,855,401	27,116	2,122	3,884,639
At 31 August 2021	3,770,563	18,271	2,830	3,791,664

<i>Prior Year</i>	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
01 September 2020	3,534,131	86,007	11,779	3,631,917
Additions	236,432	-	-	236,432
31 August 2021	3,770,563	86,007	11,779	3,868,349
Depreciation				
01 September 2020	-	63,293	8,006	71,299
Charge for the year	-	4,443	943	5,386
31 August 2021	-	67,736	8,949	76,685
Net book value				
31 August 2021	3,770,563	18,271	2,830	3,791,664
31 August 2020	3,534,131	22,714	3,773	3,560,618

Investment property is valued by professionals, or by the trustees who have experience in property valuations.

10 Stocks & Work in Progress

	2022	2021
	£	£
Stocks before write downs	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

Analysis of the carrying value of stocks and work in progress by activities

	Work in Progress		Stocks	
	2022	2021	2022	2021
	£	£	£	£
Activity				
Charitable Trading Activities	-	-	20,000	20,000
	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

11 Debtors

	2022	2021
	£	£
Trade debtors	748,039	601,261
Prepayments and accrued income	11,149	11,149
Other debtors	10,755	13,755
	769,943	626,165

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	98,516	97,798
Trade creditors	267,789	285,457
Accruals	20,059	83,819
PAYE, NIC VAT and other taxes	1,250	2,824
Other creditors	18,880	40,776
	406,494	510,674

13 Creditors: amounts falling due after one year

	2022	2021
	£	£
Bank loans and overdrafts	726,056	776,794

14 Loans to trustees included in debtors

There were no loans made to trustees.

15 Guarantees made by the charity on behalf of trustees

There were no guarantees made for trustees.

16 Income and Expenditure account summary

	2022	2021
	£	£
At 1 September 2021	4,497,194	4,128,594
Surplus after tax for the year	203,962	368,600
At 31 August 2022	4,701,156	4,497,194

17 Related party transactions

Gift aid totalling £370,000 was payable by Testbell Ltd to its parent Machzikei Hadass Communities. At the year end Machzikei Hadass Communities was owed £186,853 from its subsidiary Testbell Ltd and £358,520 from its subsidiary Erez (M/C) Ltd.

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

18 Particulars of how particular funds are represented by assets and liabilities

At 31 August 2022	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	3,884,639	-	-	3,884,639
Current Assets	1,949,067	-	-	1,949,067
Current Liabilities	(406,494)	-	-	(406,494)
Long Term Liabilities	(726,056)	-	-	(726,056)
	4,701,156	-	-	4,701,156

At 1 September 2021	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	3,791,664	-	-	3,791,664
Current Assets	1,992,998	-	-	1,992,998
Current Liabilities	(510,674)	-	-	(510,674)
Long Term Liabilities	(776,794)	-	-	(776,794)
	4,497,194	-	-	4,497,194

19 Change in total funds over the year as shown in Note 18 , analysed by individual funds

	Funds brought forward from 2021 £	Movement in funds in 2022 £	Transfers between funds in 2022 £	Funds carried forward to 2023 £
		See Note 20		
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	4,497,194	203,962	-	4,701,156
Total unrestricted and designated funds	4,497,194	203,962	-	4,701,156
Total charity funds	4,497,194	203,962	-	4,701,156

Machzikei Hadass Communities Group

Notes to the Accounts for the year ended 31 August 2022

20 Analysis of movements in funds over the year as shown in Note 19

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2022	2022	2022	2022
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	5,069,262	(4,865,300)	-	203,962
	5,069,262	(4,865,300)	-	203,962

21 The purposes for which the funds

Unrestricted and designated funds:-

Unrestricted Revenue Funds	These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.
Unrestricted Revaluation Reserve	This fund represents the unrestricted surplus arising on the revaluation of the charity's assets.

Restricted funds:-

Restricted Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.
Restricted Revaluation Reserve	This fund represents the restricted surplus arising on the revaluation of the charity's assets.

22 Ultimate controlling party

The charity is under the control of its trustees.

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2022 as required by the SORP 2015

This analysis is classsified by conventional nominal descriptions and not by activity.

23 Donations, Grants and Legacies

	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Donations and gifts from individuals				
Sundry Donors	1,590,977	-	1,590,977	1,567,715
Total donations and gifts from individuals	1,590,977	-	1,590,977	1,567,715
	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Revenue grants from government and public bodies				
JRS Furlough	135,825	-	135,825	189,806
Total public sector revenue grants	135,825	-	135,825	189,806
Total Donations, Grants and Legacies	1,726,802	-	1,726,802	1,757,521

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2022 as required by the SORP 2015

24 Income from charitable activities - Trading Activities

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total funds
	2022	2022	2022	2021
	£	£	£	£
Primary purpose and ancillary trading				
Trading Income - Subsidiary	2,966,492	-	2,966,492	2,746,171
Shechita and Supervision	278,021	-	278,021	102,330
Total Primary purpose and ancillary trading	3,244,513	-	3,244,513	2,848,501

25 Total Income from charitable activities

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
Total income from charitable trading	3,244,513	-	3,244,513	2,848,501
Total from charitable activities	3,244,513	-	3,244,513	2,848,501

26 Investment income

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
Property Rental Income (Net)	53,343	-	53,343	49,702
Bank Interest Receivable	258	-	258	26,358
Total investment income	53,601	-	53,601	76,060

27 Other income and gains

<i>Current year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
Summary of Realised Gains				
Realised gains on disposals of tangible fixed assets	44,346	-	44,346	-
Total other income	44,346	-	44,346	-

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2022 as required by the SORP 2015

28 Expenditure on charitable activities - Direct spending

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2022	2022	2022	2021
		£	£	£	£
Communal Services	38	97,475	-	97,475	70,034
Maintenance of Religious Buildings	38	347,145	-	347,145	259,524
Rabbinical and Supervisory Services	38	251,045	-	251,045	260,675
Total direct spending		695,665	-	695,665	590,233

29 Expenditure on charitable activities - Charitable trading

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2022	2022	2022	2021
		£	£	£	£
Total costs of Subsidiary Trading		2,623,058	-	2,623,058	2,424,441
Total charitable trading costs		2,623,058	-	2,623,058	2,424,441

30 Expenditure on charitable activities- Grant funding of activities

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2022	2022	2022	2021
		£	£	£	£
Grants made to organisations		1,374,260	-	1,374,260	1,171,023
Total grantmaking costs		1,374,260	-	1,374,260	1,171,023

Breakdown of Grants made to organisations

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds
<i>Current Year</i>		2022	2022	2022
		£	£	£
Sundry Donations		1,374,260	-	1,374,260
		1,374,260	-	1,374,260

Breakdown of Grants made to organisations

		Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds
<i>Prior Year</i>		2021	2021	2021
		£	£	£
Sundry Donations		1,171,023	-	1,171,023
		1,171,023	-	1,171,023

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2022 as required by the SORP 2015

31 Support costs for charitable activities

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
<i>Employee costs not included in direct costs</i>				
Salaries - Administrative staff	26,500	-	26,500	26,500
<i>Premises Expenses</i>				
Property insurance	4,500	-	4,500	3,500
Utilities	14,000	-	14,000	10,500
<i>Administrative overheads</i>				
Telephone, fax and internet	12,000	-	12,000	7,306
Stationery, printing and advertising	27,465	-	27,465	17,576
Sundry expenses	2,797	-	2,797	-
<i>Professional fees paid to advisors other than the auditor or examiner</i>				
Other legal and professional	40,013	-	40,013	15,454
<i>Financial costs</i>				
Bank charges	5,688	-	5,688	9,402
Loan interest	19,991	-	19,991	20,161
Depreciation & Amortisation in total for	7,363	-	7,363	5,386
	160,317	-	160,317	115,785
Total support costs	160,317	-	160,317	115,785

The basis of allocation of costs between activities is described under accounting policies

All the expenditure in the prior year was unrestricted.

32 Other Expenditure - Governance costs

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
Auditor's fees	12,000	-	12,000	12,000
Total Governance costs	12,000	-	12,000	12,000

All the expenditure in the prior year was unrestricted.

Machzikei Hadass Communities Group

Detailed analysis of income and expenditure for the year ended 31 August 2022 as required by the SORP 2015

33 Total Charitable expenditure

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2022	2022	2022	2021
		£	£	£	£
Current Year					
Total direct spending	38	695,665	-	695,665	590,233
Total charitable trading costs		2,623,058	-	2,623,058	2,424,441
Total grantmaking costs		1,374,260	-	1,374,260	1,171,023
Total support costs		160,317	-	160,317	115,785
Total Governance costs		12,000	-	12,000	12,000
Total charitable expenditure		4,865,300	-	4,865,300	4,313,482

All the expenditure in the prior year was unrestricted.

	Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds
	2021	2021	2021
	£	£	£
Prior Year			
Total direct spending	590,233	-	590,233
Total charitable trading costs	2,424,441	-	2,424,441
Total grantmaking costs	1,171,023	-	1,171,023
Total support costs	115,785	-	115,785
Total Governance costs	12,000	-	12,000
Total charitable expenditure	4,313,482	-	4,313,482

34 Income and Expenditure Per Entity

	MHC	Erez (M/c) Ltd	Testbell Ltd	Total
Charitable Income etc	1,726,802			1,726,802
Trading Income	278,021		2,966,492	3,244,513
Investment Income	258	85,383		85,641
Gain	44,346			44,346
	2,049,427	85,383	2,966,492	5,101,302
Charitable Expenditure	2,242,242			2,242,242
Trading Expenditure			2,623,058	2,623,058
Rental Expenses		32,040		32,040
Total Expenditure	2,242,242	32,040	2,623,058	4,897,340
Gift Aid	370,000		(370,000)	-
Surplus	177,185	53,343	(26,566)	203,962

Machzikei Hadass Communities Group

Activity analysis of Income and expenditure for the for the year ended 31 August 2022

This analysis is classified by activity and not by conventional nominal descriptions.

35 Analysis of income by activity

	2022 £	2021 £
Activity		
Income from charitable activities		
Charitable Trading Activities	3,244,513	2,848,501
Summary of Total Income, including the items above		
Charitable activities	3,244,513	2,848,501
Donations & Legacies	1,726,802	1,757,521
Investment income	53,600	76,060
Other income	44,346	-
Total income as shown in the SOFA	5,069,261	4,682,082
Categories of income		
Income from non exchange transactions	5,014,261	4,682,082
Income from exchange transactions	55,000	-
	5,069,261	4,682,082

36 Analysis of charitable expenditure by activity

Activity	Direct costs	Support costs	Grant funding of activities	Total	Total
	2022 £	2022 £	2022 £	2022 £	2021 £
Charitable Trading Activities					
Direct costs (see below)	695,665	-	-	695,665	582,354
Charitable trading costs (subsidiary)	2,623,058	-	-	2,623,058	2,424,441
Employee costs not included in direct cost:	-	26,500	-	26,500	26,500
Premises expenses	-	18,500	-	18,500	14,000
Administrative overheads	-	42,261	-	42,261	32,761
Professional fees	-	40,013	-	40,013	15,454
Financial costs	-	33,043	-	33,043	34,949
Total Charitable Trading Activities	3,318,723	160,317	-	3,479,040	3,130,459
	Direct costs	Support costs	Grant funding of activities	Total	Total
	2022 £	2022 £	2022 £	2022 £	2021 £
Grant Making					
Grantmaking costs	-	-	1,374,260	1,374,260	1,171,023

Machzikei Hadass Communities Group

Activity analysis of Income and expenditure for the for the year ended 31 August 2022

Summary of charitable costs by activity

	Direct costs	Support costs	Grant funding of activities	Total	Total
	2022	2022	2022	2022	2021
	£	£	£	£	£
Total Charitable Trading Activities	3,318,723	160,317	-	3,479,040	3,130,459
Total Grant Making	-	-	1,374,260	1,374,260	1,171,023
Total Governance costs	-	12,000	-	12,000	12,000
Total charitable expenditure	3,318,723	172,317	1,374,260	4,865,300	4,313,482

The basis of allocation of costs between activities is described under accounting policies

The breakdown of this expenditure by type of spending (ie nominal classification) is detailed in note 33

Analysis of support and governance costs by charitable activities

Activity	Governance	Finance	Human Resources	Other Overheads	Total
Charitable Trading Activities	12,000	33,043	26,500	100,774	172,317

Summary of grant making by activity

	Grants to institutions	Grants to individuals	Support costs	Total	Total
	2022	2022	2022	2022	2021
	£	£	£	£	£
Grant Making	1,374,260	-	-	1,374,260	1,171,023
	1,374,260	-	-	1,374,260	1,171,023

Fuller details of grants made and related costs, including support costs, are shown in note 30.

37 Analysis of non charitable expenditure by activity

Activity

Governance costs	Governance costs 2022	Governance costs 2021
	£	£
Other Expenditure - Governance costs as detailed in Note 32	12,000	12,000

38 Analysis of Direct Costs

	Community Services	Maintenance of Religious Buildings	Rabbinical & Supervisory Services	2022 Totals	2021 Totals
Salaries, Fees and Commission		11,500	183,665	195,165	220,081
Insurance		26,844		26,844	10,206
Utilities	41,132			41,132	44,542
Travel			67,380	67,380	52,094
Requisites and Sundry	7,410			7,410	17,613
Repairs & Renewals		50,057		50,057	36,312
Security		125,931		125,931	149,468
Functions and Catering	47,549			47,549	7,879
Mikva Expenses		132,813		132,813	52,038
Sundry	1,384			1,384	
Total Resources Expended -	97,475	347,145	251,045	695,665	590,233

Accounts

MACHZIKEI HADASS COMMUNITIES GROUP

(REGISTERED CHARITY NUMBER 235459)

TRUSTEES REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

B Olsberg & Co

Chartered Accountants & Statutory Auditor

Enterprise House

3 Middleton Road

Manchester

M8 5DT

MACHZIKEI HADASS COMMUNITIES GROUP

Contents

Trustees Report	3
Independent Auditors' Report	7
Consolidated Statement of Financial Activities	11
Consolidated Balance Sheet	12
Consolidated cash flow statement	13
Notes forming part of the financial statements	14

MACHZIKEI HADASS COMMUNITIES GROUP

(REGISTERED CHARITY NUMBER 235459)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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 2015).

Reference and Administrative Detail

Trustees	Y A Sanger	A Reich
	Y M Salomon	M Brunner

Charity Number 235459

Charity Offices 17 Northumberland Street, Salford M7 0FE

Auditors B Olsberg & Co, Chartered Accountants and Statutory Auditors, 3 Middleton Road Manchester M8 5DT

Bankers Royal Bank of Scotland, 18 Cheetham Hill Road, Manchester

Solicitors Kuit Steinart Levy, 3 St. Mary's Parsonage, Manchester

Trustees

The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity having received guidance from the existing trustees prior to appointment. New trustees are further encouraged to attend training sessions organised by the charity

Investment Powers

The trustees are authorised to make and hold investments using the general funds of the charity, and these are shown in the balance sheet.

Structure governance and Management

The Charitable Trust is constituted by Trust deed, and its objects are to further the observance of orthodox Judaism, to encourage and support the advancement of Orthodox Jewish Religious Education, to establish all institutions required by an orthodox Jewish community and any other charitable activity.

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Object, Aims and Activities

The policy of the Charitable Trust continues to be to support these activities as follows:

- 1) The trustees own several buildings including a synagogue hall and ritual baths. These are used constantly by the Community members. They also own a cemetery.
- 2) The Trustees employ a Rabbi and various supervisory officials to ensure that the highest standard of religious requirements in all spheres of Judaism is achieved and maintained.
- 3) The Charity operates a charity fund voucher account, the surplus in which, is used for its objects.

Public Benefit

The trustees confirm that they have referred to guidance contained in the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance when reviewing the charity's aims and objectives and in planning future activities, and setting the grant policy for the year.

Group Structure and Relationships

The trustees consider that the performance of the charity this year has been satisfactory. It has been able to fund its various activities and distributions as indicated in the SOFA. There were no changes in its activities. The charity's trading subsidiary Testbell Limited continued to operate providing the community with Kosher poultry. Its other subsidiary Erez (M/c) Ltd provides a regular income from its property investments.

Financial Review

The charity provided Shechitah and Supervisory services during the year which produced an income of £102,330. Donation and subscriptions received during the year were £1,567,715. Gift aid of £300,000 was received from the charity's wholly owned subsidiary company, Testbell Limited.

The charity paid out charitable grants totalling £1,171,023. The charity spent £114,193 on communal services which included the cost of running and refurbishing the Mikvas. Maintenance of religious buildings, including security was £207,486. Rabbinical and Supervisory Services were £260,675. The cost of Management and Administration was £133,544. The charity's surplus for the year was £368,601 (2020 - £299,418.)

The results of the charity's subsidiaries are shown in note 3 to the accounts.

Funds available are sufficient to permit the Trust to continue in operation in the medium term.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust. These risks include macro economic factors governing the whole economy that could expose tenants and thereby put value of the investment properties at risk with the associated knock on effect with lenders covenants. Additionally, the charity may be exposed to interest rate increases with reference to loans and their repayment.

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Other risks faced by the trust include operational risks from ineffective grant making. These risks are managed by the trustees researching potential beneficiaries before granting donations.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all grants paid out.

The trustees are satisfied that systems are in place to manage the exposure to the above major risks.

Risk Management

The trustees examine the major risks that the charitable trust faces each financial year when preparing and updating its budget. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the charity's future.

Going Concern

The trustees consider that the going concern basis of accounting in the preparation of the financial statements is appropriate for a period of at least twelve months from the date when the financial statements are authorised for issue and that there are no material uncertainties due to the discretion in making grants and maintaining adequate reserves.

Future Developments

No future developments are contemplated at present.

Reserves

The trustees always wish to retain income to provide for unforeseen contingencies and the amounts retained will fluctuate from year to year.

The amount of distributions made in any period will take into account the necessity to have these reserves available in accordance with the Trustees policy.

The amount of reserves to be held is reviewed annually.

True and fair override

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charities governing document, the Charity Act 2011 and the relevant version of the 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).

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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, of the charity for that period. In preparing the financial statements, the trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent.
- (c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

- disclosed and explained in the financial statements;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to presume the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the group and charity and which enable them to ascertain the financial position of the group and charity and which enable them to ensure the financial statements comply with applicable law and regulations. They are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable trust's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approval

The report was approved by the Trustees on 30 June 2022 and signed on their behalf.

A Reich - Trustee

Y M Salomon - Trustee

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
MACHZIKEI HADASS COMMUNITIES GROUP

Opinion

We have audited the financial statements of Machzikei Hadass Communities Group and the Machzikei Hadass Communities for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group and the charity's affairs as at 31 August 2021 and of its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice;
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
MACHZIKEI HADASS COMMUNITIES GROUP

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- Sufficient accounting records have not been kept;
- The financial statements are not in agreement with the accounting records or returns; or
- We have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 5 the trustees 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 they determine is necessary to enable the preparation of the 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 Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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:

the nature of the industry and sector, control environment and business performance;

results of our enquiries of management about their own identification and assessment of the risks of irregularities;

any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to (a) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance; (b) detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; (c) the internal controls established

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
MACHZIKEI HADASS COMMUNITIES GROUP

to mitigate risks of fraud or non-compliance with laws and regulations; (e) the matters identified as to how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

We also obtained an understanding of the legal and regulatory frameworks 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 Charities Acts.

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 to avoid a material penalty.

As a result of performing the above, we identified no key audit matters relating to the potential risk of fraud.

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 and

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 remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
MACHZIKEI HADASS COMMUNITIES GROUP

Use of our report

The report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

B Olsberg & Co
Chartered Accountants & Statutory Auditor
Enterprise House 3 Middleton Road
Manchester M8 5DT

30 June 2022

B Olsberg & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MACHZIKEI HADASS COMMUNITIES GROUP
Consolidated Statement Of Financial Activities
For The Year Ended 31 August 2021

	Note	Group	Charity		
		2021 Unrestricted Funds £	2020 Total Funds £	2021 Unrestricted Funds £	2020 Total Funds £
Incoming Resources					
Charitable Activities					
Shechitah & Supervision		102,330	236,613	102,330	236,613
Donations and Subscriptions		1,567,715	1,166,539	1,567,715	1,166,539
CST Funding		189,806	14,400	189,806	14,400
Furlough Receipts		-	6,527	-	5,215
Other activities to generate funds					
Trading Income	4	2,746,172	2,517,140	-	-
Rent rceivable	4	75,643	69,036	-	-
Gift Aid Receipts	4	-	-	300,000	80,200
Bank and Building Soc Interest		26,358	1,260	13,233	1,260
Total Incoming Resources		4,708,024	4,011,514	2,173,084	1,504,226
Resources Expended					
Direct Charitable Expenditure					
Grants	3	1,171,023	946,458	1,171,023	946,458
Communal Services	3	114,193	112,488	114,193	112,488
Maintenance of Religious Buildings	3	207,486	53,435	207,486	53,435
Rabbinical & Supervisory Services	3	260,675	248,056	260,675	248,056
		1,753,377	1,360,437	1,753,377	1,360,437
Cost of Generating Funds					
Management and Administration	3	133,544	129,148	133,544	129,148
Trading Expenses	4	2,426,561	2,196,464	-	-
Rental Income Expenses	4	25,941	26,048	-	-
		2,586,046	2,351,660	133,544	129,148
Total Resources Expended		4,339,423	3,712,097	1,886,921	1,489,585
Net Income Resources for the Year		368,601	299,418	286,163	14,642
Net Movement in Funds		368,601	299,418	286,163	14,642
Funds at 1 September 2020					
		4,128,594	3,829,176	4,072,357	4,057,715
Funds at 31 August 2021		4,497,195	4,128,594	4,358,520	4,072,357

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

MACHZIKEI HADASS COMMUNITIES GROUP
Consolidated Balance Sheet As At 31 August 2021

		Group		Charity	
	NOTE	2021	2020	2021	2020
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	6	3,791,664	3,560,618	2,218,417	2,136,663
Investments	7	-	-	1,000,004	1,000,004
		<u>3,791,664</u>	<u>3,560,618</u>	<u>3,218,421</u>	<u>3,136,667</u>
Current Assets					
Stock		20,000	20,000	-	-
Debtors	8	626,166	525,126	658,762	609,165
Cash at Bank or Building Soc		<u>1,346,833</u>	<u>1,115,459</u>	<u>1,119,560</u>	<u>932,883</u>
		1,992,999	1,660,585	1,778,322	1,542,048
Creditors: payable within one year	9	<u>510,674</u>	<u>291,534</u>	<u>157,060</u>	<u>117,932</u>
Net Current Assets		<u>1,482,325</u>	<u>1,369,051</u>	<u>1,621,263</u>	<u>1,424,116</u>
Total Assets Less Current Liabilities		<u>5,273,989</u>	<u>4,929,669</u>	<u>4,839,684</u>	<u>4,560,783</u>
Creditors: due beyond one year	10	<u>776,794</u>	<u>801,075</u>	<u>481,164</u>	<u>488,426</u>
Net Assets		<u>4,497,195</u>	<u>4,128,594</u>	<u>4,358,520</u>	<u>4,072,357</u>
Unrestricted Funds					
General Funds	10	4,253,934	3,918,064	4,358,520	4,072,357
Non Charitable Trading Funds		243,261	210,530	-	-
		<u>4,497,195</u>	<u>4,128,594</u>	<u>4,358,520</u>	<u>4,072,357</u>

Approved by the Board of Trustees on 30 June 2022 and signed on its behalf by

A Reich – Trustee

Y M Salomon – Trustee

The notes form part of these financial statements.

MACHZIKEI HADASS COMMUNITIES GROUP
Consolidated Cashflow Statement
For the Year Ended 31 August 2021

	2021	2020
	£	£
Cash Flows from Operating Activities		
Net Income	368,601	299,418
Adjustments for:		
Interest Receivable	(26,358)	(2,572)
Depreciation	5,386	7,693
Changes in:		
Trade and other debtors	(101,040)	(96,178)
Trade and other creditors	194,859	271,871
Cash Generated from Operations	<u>441,448</u>	<u>480,232</u>
Interest Received	26,358	2,572
Net cash from Operating Activities	<u>467,806</u>	<u>482,804</u>
 Cash flows from investing activities		
Purchase of Investments	(236,434)	(585,796)
Proceeds from sales of investments		
Net Cash (used in)/from Investing activities	<u>(236,434)</u>	<u>(585,796)</u>
 Net increase in cash and cash equivalents	231,372	(102,992)
Cash and cash equivalents at the beginning of the year	1,115,460	1,218,452
 Cash and cash equivalents at the end of the year	<u>1,346,832</u>	<u>1,115,460</u>

The notes form part of these accounts

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2021

1. Statement of compliance

The accounts have been prepared in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and the U.K. Generally Accepted Accounting Practice.

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the relevant version of the Statement of Recommended Practice to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

2. Accounting policies

a. The accounts (financial statements) have been prepared under the historical cost convention as adjusted for revaluations of fixed assets and investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

b. Group Accounts

These financial statements consolidate the results of the charity and its two wholly owned subsidiaries Erez (Manchester) Ltd and Testbell Ltd on a line by line basis.

c. Incoming Resources

Voluntary income by way of donations and subscriptions is included in full in the Statement of Financial Activities when received.

Shechita & supervision represents services provided in respect of certification of foods products in accordance with orthodox Jewish Law.

Trading income represents sales of poultry and meat by Testbell Ltd.

Interest received is included when received.

Rental income from investment properties is included in the SOFA in the year which it is receivable.

Gift Aid from trading subsidiaries is included in the charity when receivable.

d. Fund Accounting

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.

e. Depreciation is provided on assets at rates calculated to write off the cost less realisable value of each asset over its estimated useful life, as follows:

Furniture, Fixtures, Fittings and Equipment – 20% on reducing balance basis

Land and Buildings – NIL.

Motor Vehicles - 25% on reducing balance basis.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2021

Depreciation is not charged on land and buildings in use by the charity as required by the Companies Act 2006 as they are considered long life assets and whose market value is at least the valuation as shown in note 5 and any charge would not be material.

An impairment review is carried out on an annual basis to assess whether the market value of all properties is at least as much as the carrying value in the accounts. Provision is made for any permanent fall in value.

Resources Expended

- f. Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be recovered.
- g. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of a relevant nature necessary to support them. Grants and distributions are included in the year they are paid.
- h. Management and administration costs of the charity relate to the central costs of management including the costs of meetings, audit and statutory compliance.

Stock

- i. Stock is carried at the lower of cost and net realisable value.

Public Benefit

- j. The trust constitutes a public benefit entity as defined by FRS102.

Going Concern

- k. the trustees consider there are no material uncertainties about the Trusts ability to continue as a going concern due to the discretion in making grants and maintaining adequate reserves.

Financial Instruments

- l. A financial asset or a financial liability is recognized only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognized at the amount receivable or payable including any related transactions costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Basic financial instruments are recognized at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognized in profit or loss.

Fair Value

- m. Debtors and Creditors are stated at fair value.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2021

Taxation

- n. The trust is registered as a charity by the HM Revenue & Customs and therefore benefits from certain exemptions from taxation on income and gains to the extent that they are applied for charitable purposes.

Judgments and key sources of Estimation

- o. The preparation of the financial statements did not require management to make material judgements, estimates, or assumptions, that effect the amounts reported, except for the valuation of investment properties.

The valuation of the properties are updated to fair value based on information supplied by independent Valuers and the Trustees.

3. RESOURCES EXPENDED

GRANTS

Grants paid, to institutions, for the relief of poverty, advancement of Jewish Orthodox religion and advancement of Jewish Orthodox education during the year were £1,171,023 (2020 - £946,458). A list of beneficiaries is available from the Trustees on request.

All grants were paid in accordance with the Charity's objectives.

	Communal Services	Maintenance Of Religious Buildings	Rabbinical & Supervisory Services	Management & Admin.	<u>Total</u>	
	£	£	£	£	2021 £	2020 £
Salaries, Fees and Commission		11,500	208,581	26,500	246,581	254,416
Insurance		10,206		3,500	13,706	9,055
Utilities	44,542			10,500	55,042	46,999
Printing, Postage, Stationery,				17,576	17,576	19,482
Telephone				7,306	7,306	6,271
Accountancy				9,000	9,000	9,000
Audit Fee				4,000	4,000	4,000
Professional Fees				14,454	14,454	14,530
Travel			52,094		52,094	26,736
Bank Interest & Charges				29,563	29,563	31,578
Requisites and Sundry	17,613				17,613	20,631
Repairs & Renewals		36,312			53,925	21,480
Security		149,468			149,468	14,400
Functions and Catering	52,038			7,879	7,879	5,532
Mikva Expenses					52,038	54,858
Depreciation				3,266	3,266	4,159
Total Resources Expended -	114,193	207,486	260,675	133,544	733,511	543,127

MACHZIKEI HADASS COMMUNITIES GROUP
Notes to the Financial Statements
For the year ended 31 August 2021

4. INCOME FROM SUBSIDIARIES TRADING ACTIVITIES

The Machzikei Hadass Communities Charity owns the whole of the ordinary share capital consisting of 2 shares at £1.00 each in each of the following subsidiary companies. These subsidiaries distribute their profits to the Machzikei Hadass Communities Charity by way of Gift Aid payments.

The results of these companies are summarised below:-

Activity	<u>Erez</u> <u>(Manchester)</u> <u>Ltd</u>		<u>Testbell</u> <u>Ltd</u>	
	Charity Company holding <u>Investment Properties</u>		Poultry Wholesaler <u>Trading Company</u>	
	2021	2020	2021	2020
	£	£	£	£
Turnover	75,643	69,036	2,746,172	2,517,140
Costs of Sales			2,426,561	2,196,464
Grossprofit	75,643	69,036	319,611	320,676
Rental Income Expenses	25,941	26,048		
Other Operating Income			13,125	1,312
Operating profit	49,702	42,988	332,736	321,988
Gift Aid			300,000	80,200
Profit for Year	49,702	42,988	32,736	241,788
Profit Brought Forward	814,166	771,178	210,528	(31,260)
Retained Profit Carried Forward	863,868	814,166	243,264	210,528

Details of the subsidiaries balance sheets are given in note 6.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2021 (Cont'd)

5. STAFF COSTS

No remuneration was paid to Trustees in the year, nor were any Trustees' expenses reimbursed. The staff costs were

	<u>2021</u>	<u>2020</u>
	£	£
Wages and salaries etc.	258,488	248,569
Pension	<u>2,093</u>	<u>5,847</u>
	<u>260,581</u>	<u>254,416</u>

The average weekly number of staff employed by the charity during the year was as follows:-

	<u>2021</u>	<u>2020</u>
	<u>21</u>	<u>21</u>
Administrative, supervisory and cleaners		

**6. TANGIBLE FIXED ASSETS
FOR USE BY THE CHARITY**

	Land & Buildings	Fixtures Fittings & Equipment	Motor Vehicle	TOTAL
	£	£	£	£
As at 1 September 2020	2,121,272	46,307	11,779	2,179,358
Additions	85,020		-	85,020
Revaluation Movement				
As at 31 August 2021	<u>2,206,292</u>	<u>46,307</u>	<u>11,779</u>	<u>2,264,378</u>
Depreciation				
As at 1 September 2020	-	34,689	8,006	42,695
Charge for Year	-	2,323	943	3,266
As at 31 August 2021	<u>-</u>	<u>37,012</u>	<u>8,949</u>	<u>45,961</u>
Net Book Value				
As at 31 August 2021	<u>2,206,292</u>	<u>9,295</u>	<u>2,830</u>	<u>2,218,417</u>
As at 30 June 2020	<u>2,121,272</u>	<u>11,618</u>	<u>3,773</u>	<u>2,136,663</u>

MACHZIKEI HADASS COMMUNITIES GROUP**Notes to the Financial Statements****For the year ended 31 August 2021 (Cont'd)****FOR USE BY SUBSIDIARY COMPANIES**

	LAND AND BUILDINGS	PLANT & MACHINERY	FURNITURE & APPLIANCES	TOTAL
	£	£	£	£
As at 1 September 2020	1,412,859	23,948	15,752	1,452,559
Additions	151,412			151,412
As at 31 August 2021	<u>1,564,271</u>	<u>23,948</u>	<u>15,752</u>	<u>1,603,971</u>
Depreciation				
As at 1 September 2020	-	16,205	12,399	28,604
Charge for Year		2,120		2,120
As at 31 August 2021	<u>-</u>	<u>18,325</u>	<u>12,399</u>	<u>30,724</u>
Net Book Value				
As at 31 August 2021	<u>1,564,271</u>	<u>5,623</u>	<u>3,353</u>	<u>1,573,247</u>
As at 30 June 2020	<u>1,412,859</u>	<u>7,743</u>	<u>3,353</u>	<u>1,423,955</u>

REVALUATIONS

The trustees are of the opinion that the charity's land and buildings are worth more than their book value but do not feel that the costs of revaluation are warranted in the current situation.

The trustees valued the investment in the charity's subsidiaries at Fair Value, as at 31 August 2021, at £1,000,004.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2021 (Cont'd)

7. INVESTMENTS

This represents the share capital of the two subsidiary companies owned by the charity. These investments were valued by the trustees at £1,000,000.

Investment properties were valued by either professional valuers or by the trustees and the basis of the valuation is market value to arrive at a fair value. Valuation methods include comparing with similar properties or the rent yield on the property.

There are no restrictions on the reliability of the investment property, income from the investment property or any proceeds on disposal.

The Assets and liabilities of the subsidiaries were:

Summary of Balance Sheets as at 31 August 2021

	Erez (Manchester) Ltd		Testbell Ltd	
	2021	2020	2021	2020
	£	£	£	£
Tangible Assets	1,564,767	1,413,355	8,480	10,600
Current Assets	26,728	95,834	718,323	447,407
	<u>1,591,495</u>	<u>1,509,189</u>	<u>726,803</u>	<u>458,007</u>
Creditors: amounts				
falling due				
within one year	(59,931)	(40,329)	(483,536)	(487,477)
beyond one year	(636,150)	(623,149)		-
	<u>895,414</u>	<u>845,711</u>	<u>243,266</u>	<u>(29,470)</u>
Represented by				
Share Capital	2	2	2	2
Profit and loss account	863,868	814,165	243,264	210,528
Capital Redemption Reserve	31,544	31,544		-
	<u>895,414</u>	<u>845,711</u>	<u>243,266</u>	<u>210,530</u>

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2021 (Cont'd)

8. DEBTORS

	Group		Machzikei Hadass Communities	
	2021	2020	2021	2020
	£	£	£	£
Trade	611,976	511,597	114,240	171,382
Prepayments and Accrued Income	41	-	-	-
Other Debtors	3,000	6,450	3,000	6,000
Income Tax (net)	11,149	7,079	11,149	7,079
Subsidiary Company Testbell Ltd	-	-	189,853	114,204
Erez M/c Ltd	-	-	340,520	310,500
	626,166	525,126	658,762	609,165

9. CREDITORS: payable within one year

	Group		Machzikei Hadass Communities	
	2021	2020	2021	2020
	£	£	£	£
Trade	277,657	127,417	-	-
Expenses Accrued and Income in Advance	95,249	55,068	80,236	41,573
Loans	74,750	55,250	50,000	50,000
Social Security & Other Taxes	15,220	6,001	2,824	2,359
Bank Loans Overdrafts & Mortgages	47,798	47,798	24,000	24,000
	510,674	291,534	157,060	117,932

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2021 (Cont'd)

10. CREDITORS Payable beyond one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank Loans & Mortgages secured on the groups properties	776,794	801,075	481,164	488,426
Total	776,794	801,075	481,164	488,426
These are due as follows :-				
1-2 Years	47,798	47,798	24,000	24,000
2-5 Years	143,394	143,394	72,000	72,000
Beyond 5 Years	585,602	609,883	385,164	392,426
Total	776,794	801,075	481,164	488,426

The bank loans are secured by charges over the properties which they finance.

The bank loans repayable after more than one year are due follows:

11. Related Parties

Gift aid totalling £300,000 was payable by Testbell Ltd to its parent Machzikei Hadass Communities. At the year end Machzikei Hadass Communities was owed £189,853 from its subsidiary Testbell Ltd and £340,520 from its subsidiary Erez (M/C) Ltd. After the year end Testbell Ltd paid further Gift Aid to its parent.

Accounts

MACHZIKEI HADASS COMMUNITIES GROUP

(REGISTERED CHARITY NUMBER 235459)

TRUSTEES REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

B Olsberg & Co

Chartered Accountants & Statutory Auditor

Enterprise House

3 Middleton Road

Manchester

M8 5DT

MACHZIKEI HADASS COMMUNITIES GROUP

Contents

Trustees Report	3
Independent Auditors' Report	7
Consolidated Statement of Financial Activities	9
Consolidated Balance Sheet	10
Consolidated cash flow statement	11
Notes forming part of the financial statements	12

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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 2015).

Reference and Administrative Detail

Trustees	Y A Sanger	A Reich
	Y M Salomon	M Brunner

Charity Number 235459

Charity Offices 17 Northumberland Street, Salford M7 0FE

Auditors B Olsberg & Co, Chartered Accountants and Statutory Auditors, 3 Middleton Road
Manchester M8 5DT

Bankers Royal Bank of Scotland, 18 Cheetham Hill Road, Manchester

Solicitors Kuit Steinart Levy, 3 St. Mary's Parsonage, Manchester

Trustees

The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity having received guidance from the existing trustees prior to appointment. New trustees are further encouraged to attend training sessions organised by the charity

Investment Powers

The trustees are authorised to make and hold investments using the general funds of the charity, and these are shown in the balance sheet.

Structure governance and Management

The Charitable Trust is constituted by Trust deed, and its objects are to further the observance of orthodox Judaism, to encourage and support the advancement of Orthodox Jewish Religious Education, to establish all institutions required by an orthodox Jewish community and any other charitable activity.

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Object, Aims and Activities

The policy of the Charitable Trust continues to be to support these activities as follows:

- 1) The trustees own several buildings including a synagogue hall and ritual baths. These are used constantly by the Community members. They also own a cemetery.
- 2) The Trustees employ a Rabbi and various supervisory officials to ensure that the highest standard of religious requirements in all spheres of Judaism is achieved and maintained.
- 3) The Charity operates a charity fund voucher account, the surplus in which, is used for its objects.

Public Benefit

The trustees confirm that they have referred to guidance contained in the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance when reviewing the charity's aims and objectives and in planning future activities, and setting the grant policy for the year.

Group Structure and Relationships

The trustees consider that the performance of the charity this year has been satisfactory. It has been able to fund its various activities and distributions as indicated in the SOFA. There were no changes in its activities. The charity's trading subsidiary Testbell Limited continued to operate providing the community with Kosher poultry. Its other subsidiary Erez (M/c) Ltd provides a regular income from its property investments.

Financial Review

The charity provided Shechitah and Supervisory services during the year which produced an income of £236,613. Donation and subscriptions received during the year were £1,180,939. Gift aid of £80,200 was received from the charity's wholly owned subsidiary company, Testbell Limited. Interest received was £1,260.

The charity paid out charitable grants totalling £946,458. The charity spent £112,488 on communal services which included the cost of running and refurbishing the Mikvas, Maintenance of religious buildings was £53,435, Rabbinical and Supervisory Services were £248,056. The cost of Management and Administration was £129,148. The charity's surplus for the year was £299,418 (2019 - £62,545.)

The results of the charity's subsidiaries are shown in note 3 to the accounts.

Funds available are sufficient to permit the Trust to continue in operation in the medium term.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust. These risks include macro economic factors governing the whole economy that could expose tenants and thereby put value of the investment properties at risk with the associated knock on effect with lenders covenants. Additionally, the charity may be exposed to interest rate increases with reference to loans and their repayment.

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Other risks faced by the trust include operational risks from ineffective grant making. These risks are managed by the trustees researching potential beneficiaries before granting donations.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all grants paid out.

The trustees are satisfied that systems are in place to manage the exposure to the above major risks.

Risk Management

The trustees examine the major risks that the charitable trust faces each financial year when preparing and updating its budget. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the charity's future.

Going Concern

The trustees consider that the going concern basis of accounting in the preparation of the financial statements is appropriate for a period of at least twelve months from the date when the financial statements are authorised for issue and that there are no material uncertainties due to the discretion in making grants and maintaining adequate reserves.

Future Developments

No future developments are contemplated at present.

Reserves

The trustees always wish to retain income to provide for unforeseen contingencies and the amounts retained will fluctuate from year to year.

The amount of distributions made in any period will take into account the necessity to have these reserves available in accordance with the Trustees policy.

The amount of reserves to be held is reviewed annually.

True and fair override

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charities governing document, the Charity Act 2011 and the relevant version of the 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).

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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, of the charity for that period. In preparing the financial statements, the trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent.
- (c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

- disclosed and explained in the financial statements;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to presume the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the group and charity and which enable them to ascertain the financial position of the group and charity and which enable them to ensure the financial statements comply with applicable law and regulations. They are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable trust's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approval

The report was approved by the Trustees on 30 September 2021 and signed on their behalf.

A Reich - Trustee

Y M Salamon - Trustee

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
MACHZIKEI HADASS COMMUNITIES GROUP

Opinion

We have audited the financial statements of Machzikei Hadass Communities Group and the Machzikei Hadass Communities for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group and the charity's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice;
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MACHZIKEI HADASS COMMUNITIES GROUP
(REGISTERED CHARITY NUMBER 235459)
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
MACHZIKEI HADASS COMMUNITIES GROUP

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- Sufficient accounting records have not been kept;
- The financial statements are not in agreement with the accounting records or returns; or
- We have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 5 the trustees 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 they determine is necessary to enable the preparation of the 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 Charity or to cease operations, or have no realistic alternative but to do so.

Our 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

The report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

B Olsberg & Co
Chartered Accountants & Statutory Auditor
Enterprise House 3 Middleton Road
Manchester M8 5DT

30 September 2021

B Olsberg & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

MACHZIKEI HADASS COMMUNITIES GROUP
Consolidated Statement Of Financial Activities
For The Year Ended 31 August 2020

	Note	Group	Charity			
			2020 Unrestricted Funds £	2019 Total Funds £	2020 Unrestricted Funds £	2019 Total Funds £
Incoming Resources						
Charitable Activities						
Shechitah & Supervision			236,613	201,108	236,613	201,108
Donations and Subscriptions			1,180,939	1,279,451	1,180,939	1,278,451
Furlough Receipts			6,527		5,215	
Other activities to generate funds						
Trading Income	4		2,517,140	2,173,279	-	-
Rent rceivable	4		69,036	65,940	-	-
Gift Aid Receipts	4		-	-	80,200	291,000
Bank and Building Soc Interest			1,260	2,036	1,260	2,036
Total Incoming Resources			4,011,514	3,721,814	1,504,226	1,772,595
Resources Expended						
Direct Charitable Expenditure						
Grants	3		946,458	1,114,319	946,458	1,114,319
Communal Services	3		112,488	225,685	112,488	225,685
Maintenance of Religious Buildings	3		53,435	47,114	53,435	47,114
Rabbinical & Supervisory Services	3		248,056	212,554	248,056	212,554
			1,360,437	1,599,672	1,360,437	1,599,672
Cost of Generating Funds						
Management and Administration	3		129,148	110,506	129,148	110,506
Trading Expenses	4		2,196,464	1,889,721		-
Rental Income Expenses	4		26,048	59,370	-	-
			2,351,660	2,059,597	129,148	110,506
Total Resources Expended			3,712,097	3,659,269	1,489,585	1,710,178
Net Income Resources for the Year						
			299,418	62,545	14,642	62,417
Gain on Sale of Property						
Net Movement in Funds			299,418	62,545	14,642	62,417
Funds at 1 September 2019						
			3,829,176	3,766,631	4,057,715	3,995,298
Funds at 31 August 2020			4,128,594	3,829,176	4,072,357	4,057,715

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

MACHZIKEI HADASS COMMUNITIES GROUP
Consolidated Balance Sheet As At 31 August 2020

		Group		Charity	
	NOTE	2020	2019	2020	2019
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	6	3,560,618	2,982,514	2,136,663	1,973,534
Investments	7			1,000,004	1,000,004
		<u>3,560,618</u>	<u>2,982,514</u>	<u>3,136,667</u>	<u>2,973,538</u>
Current Assets					
Stock		20,000	20,000		
Debtors	8	525,126	428,948	609,165	537,086
Cash at Bank or Building Soc		<u>1,115,459</u>	<u>1,218,452</u>	<u>932,884</u>	<u>1,111,084</u>
		1,660,585	1,667,400	1,542,049	1,648,170
Creditors: payable within one year	9	<u>291,534</u>	<u>222,726</u>	<u>117,932</u>	<u>61,330</u>
Net Current Assets		<u>1,369,051</u>	<u>1,444,674</u>	<u>1,424,117</u>	<u>1,586,840</u>
Total Assets Less Current Liabilities		<u>4,929,669</u>	<u>4,427,188</u>	<u>4,560,783</u>	<u>4,560,378</u>
Creditors: due beyond one year	10	<u>801,075</u>	<u>598,012</u>	<u>488,426</u>	<u>502,663</u>
Net Assets		<u><u>4,128,594</u></u>	<u><u>3,829,176</u></u>	<u><u>4,072,357</u></u>	<u><u>4,057,715</u></u>
Unrestricted Funds					
General Funds	10	3,918,064	3,860,434	4,072,357	4,057,715
Non Charitable Trading Funds		<u>210,530</u>	<u>(31,258)</u>	<u>-</u>	<u>-</u>
		<u><u>4,128,594</u></u>	<u><u>3,829,176</u></u>	<u><u>4,072,357</u></u>	<u><u>4,057,715</u></u>

Approved by the Board of Trustees on 30 September 2021 and signed on its behalf by

A Reich – Trustee

Y M Salamon – Trustee

The notes form part of these financial statements.

MACHZIKEI HADASS COMMUNITIES GROUP
Consolidated Cashflow Statement
For the Year Ended 31 August 2020

	2020	2019
	£	£
Cash Flows from Operating Activities		
Net Income	299,418	62,545
Adjustments for:		
Net Gains on Investments	-	
Interest Receivable	(2,572)	
Depreciation	7,693	
Changes in:		
Trade and other debtors	(96,178)	(70,172)
Trade and other creditors	271,871	(44,254)
Cash Generated from Operations	480,232	(51,881)
Interest Received	2,572	
Net cash from Operating Activities	482,804	(51,881)
Cash flows from investing activities		
Purchase of Investments	(585,796)	(946)
Proceeds from sales of investments		
Net Cash (used in)/from Investing activities	(585,796)	(946)
Net increase in cash and cash equivalents	(102,992)	(52,827)
Cash and cash equivalents at the beginning of the ye	1,218,452	1,271,279
Cash and cash equivalents at the end of the year	1,115,460	1,218,452

The notes form part of these accounts

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2020

1. Statement of compliance

The accounts have been prepared in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and the U.K. Generally Accepted Accounting Practice.

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the relevant version of the Statement of Recommended Practice to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

2. Accounting policies

a. The accounts (financial statements) have been prepared under the historical cost convention as adjusted for revaluations of fixed assets and investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

b. Group Accounts

These financial statements consolidate the results of the charity and its two wholly owned subsidiaries Erez (Manchester) Ltd and Testbell Ltd on a line by line basis.

c. Incoming Resources

Voluntary income by way of donations and subscriptions is included in full in the Statement of Financial Activities when received.

Shechita & supervision represents services provided in respect of certification of foods products in accordance with orthodox Jewish Law.

Trading income represents sales of poultry and meat by Testbell Ltd.

Interest received is included when received.

Rental income from investment properties is included in the SOFA in the year which it is receivable.

Gift Aid from trading subsidiaries is included in the charity when receivable.

d. Fund Accounting

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.

e. Depreciation is provided on assets at rates calculated to write off the cost less realisable value of each asset over its estimated useful life, as follows:

Furniture, Fixtures, Fittings and Equipment – 20% on reducing balance basis

Land and Buildings – NIL.

Motor Vehicles - 25% on reducing balance basis.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2020

Depreciation is not charged on land and buildings in use by the charity as required by the Companies Act 2006 as they are considered long life assets and whose market value is at least the valuation as shown in note 5 and any charge would not be material.

An impairment review is carried out on an annual basis to assess whether the market value of all properties is at least as much as the carrying value in the accounts. Provision is made for any permanent fall in value.

Resources Expended

- f. Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be recovered.
- g. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of a relevant nature necessary to support them. Grants and distributions are included in the year they are paid.
- h. Management and administration costs of the charity relate to the central costs of management including the costs of meetings, audit and statutory compliance.

Stock

- i. Stock is carried at the lower of cost and net realisable value.

Public Benefit

- j. The trust constitutes a public benefit entity as defined by FRS102.

Going Concern

- k. the trustees consider there are no material uncertainties about the Trusts ability to continue as a going concern due to the discretion in making grants and maintaining adequate reserves.

Financial Instruments

- l. A financial asset or a financial liability is recognized only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognized at the amount receivable or payable including any related transactions costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Basic financial instruments are recognized at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognized in profit or loss.

Fair Value

- m. Debtors and Creditors are stated at fair value.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2020

Taxation

- n. The trust is registered as a charity by the HM Revenue & Customs and therefore benefits from certain exemptions from taxation on income and gains to the extent that they are applied for charitable purposes.

Judgments and key sources of Estimation

- o. The preparation of the financial statements did not require management to make material judgements, estimates, or assumptions, that effect the amounts reported, except for the valuation of investment properties.

The valuation of the properties are updated to fair value based on information supplied by independent Valuers and the Trustees.

3. RESOURCES EXPENDED

GRANTS

Grants paid, to institutions, for the relief of poverty, advancement of Jewish Orthodox religion and advancement of Jewish Orthodox education during the year were £946,458 (2019 - £1,114,319). A list of beneficiaries is available from the Trustees on request.

All grants were paid in accordance with the Charity's objectives.

	Communal Services	Maintenance Of Religious Buildings	Rabbinical & Supervisory Services	Management & Admin.	<u>Total</u>	
	£	£	£	£	2020 £	2019 £
Salaries, Fees and Commission		11,000	218,416	25,000	254,416	225,667
Insurance		6,555		2,500	9,055	14,759
Utilities	36,999			10,000	46,999	52,227
Printing, Postage, Stationery, Computer & Advertising				19,482	19,482	(1,471)
Telephone				6,271	6,271	6,872
Accountancy				9,000	9,000	9,000
Audit Fee				4,000	4,000	4,000
Professional Fees				14,530	14,530	18,160
Travel			26,736		26,736	21,211
Bank Interest & Charges	20,631			31,578	31,578	30,772
Requisites and Sundry					20,631	19,609
Repairs & Renewals		35,880			35,880	25,355
Functions and Catering	54,858			5,532	5,532	3,142
Mikva Expenses					54,858	163,849
Depreciation			2,904	1,255	4,159	2,707
Total Resources Expended -	112,488	53,435	248,056	129,148	543,127	595,859

MACHZIKEI HADASS COMMUNITIES GROUP
Notes to the Financial Statements
For the year ended 31 August 2020

4. INCOME FROM SUBSIDIARIES TRADING ACTIVITIES

The Machzikei Hadass Communities Charity owns the whole of the ordinary share capital consisting of 2 shares at £1.00 each in each of the following subsidiary companies. These subsidiaries distribute their profits to the Machzikei Hadass Communities Charity by way of Gift Aid payments.

The results of these companies are summarised below:-

Activity	<u>Erez</u> <u>(Manchester)</u> <u>Ltd</u>		<u>Testbell</u> <u>Ltd</u>	
	Charity Company holding Investment Properties		Poultry Wholesaler Trading Company	
	2020	2019	2020	2019
	£	£	£	£
Turnover	69,036	65,940	2,517,140	2,173,279
Costs of Sales			2,196,464	1,889,721
Grossprofit	69,036	65,940	320,676	283,558
Rental Income Expenses	26,048	59,370		
Other Operating Income - Furlough			1,312	
Operating profit	42,988	6,570	321,988	283,558
Gift Aid			80,200	290,000
Profit for Year	42,988	6,570	241,788	(6,442)
Profit Brought Forward	771,178	764,608	(31,260)	(24,818)
Retained Profit Carried Forward	814,166	771,178	210,528	(31,260)

Details of the subsidiaries balance sheets are given in note 6.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2020 (Cont'd)

5. STAFF COSTS

No remuneration was paid to Trustees in the year, nor were any Trustees' expenses reimbursed. The staff costs were

	<u>2020</u>	<u>2019</u>
	£	£
Wages and salaries etc.	248,569	224,708
Pension	<u>5,847</u>	<u>959</u>
	<u>254,416</u>	<u>225,667</u>

The average weekly number of staff employed by the charity during the year was as follows:-

	<u>2020</u>	<u>2019</u>
Administrative, supervisory and cleaners	<u>21</u>	<u>21</u>

**6. TANGIBLE FIXED ASSETS
FOR USE BY THE CHARITY**

	Land & Buildings	Fixtures Fittings & Equipment	Motor Vehicle	TOTAL
	£	£	£	£
As at 1 September 2019	1,964,380	35,911	11,779	2,012,070
Additions	156,892	10,396	-	167,288
Disposals				
Revaluation Movement				
As at 31 August 2020	<u>2,121,272</u>	<u>46,307</u>	<u>11,779</u>	<u>2,179,358</u>
Depreciation				
As at 1 September 2019	-	31,785	6,751	38,536
Charge for Year	-	2,904	1,255	4,159
As at 31 August 2020	<u>-</u>	<u>34,689</u>	<u>8,006</u>	<u>42,695</u>
Net Book Value				
As at 31 August 2020	<u>2,121,272</u>	<u>11,618</u>	<u>3,773</u>	<u>2,136,663</u>
As at 30 June 2019	<u>1,964,380</u>	<u>4,126</u>	<u>5,028</u>	<u>1,973,534</u>

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2020 (Cont'd)

FOR USE BY SUBSIDIARY COMPANIES

		LAND AND BUILDINGS	PLANT & MACHINERY	FURNITURE & APPLIANCES	TOTAL
	£	£		£	£
As at 1 September 2019		999,391	23,948	10,712	1,034,051
Additions		413,468	-	5,040	418,508
Disposals					-
Revaluation Movement					-
As at 31 August 2020		<u>1,412,859</u>	<u>23,948</u>	<u>15,752</u>	<u>1,452,559</u>
Depreciation					
As at 1 September 2019		-	16,205	8,866	25,071
Charge for Year				3,533	3,533
Written off /scrapped					-
As at 31 August 2020		<u>-</u>	<u>16,205</u>	<u>12,399</u>	<u>28,604</u>
Net Book Value					
As at 31 August 2020		<u>1,412,859</u>	<u>7,743</u>	<u>3,353</u>	<u>1,423,955</u>
As at 30 June 2019		<u>999,391</u>	<u>7,743</u>	<u>1,846</u>	<u>1,008,980</u>
SUMMARY				2020	2019
NET BOOK VALUE CHARITY ASSETS				2,136,663	1,973,534
NET BOOK VALUE SUBSIDIARY COMPANIES ASSETS				1,423,955	1,008,980
				<u>3,560,618</u>	<u>2,982,514</u>

REVALUATIONS

The trustees are of the opinion that the charity's land and buildings are worth more than their book value but do not feel that the costs of revaluation are warranted in the current situation.

The trustees valued the investment in the charity's subsidiaries at Fair Value, as at 31 August 2020, at £1,000,004.

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2020 (Cont'd)

7. INVESTMENTS

This represents the share capital of the two subsidiary companies owned by the charity. These investments were valued by the trustees at £1,000,000.

Investment properties were valued by either professional valuers or by the trustees and the basis of the valuation is market value to arrive at a fair value. Valuation methods include comparing with similar properties or the rent yield on the property.

There are no restrictions on the reliability of the investment property, income from the investment property or any proceeds on disposal.

The Assets and liabilities of the subsidiaries were:

Summary of Balance Sheets as at 31 August 2020

	Erez (Manchester) Ltd		Testbell Ltd	
	2020	2019	2020	2019
Tangible Assets	1,413,355	999,887	10,600	9,093
Current Assets	95,834	29,184	447,407	405,251
	<u>1,509,189</u>	<u>1,029,071</u>	<u>458,007</u>	<u>414,344</u>
Creditors: amounts falling due within one year	(40,329)	(15,998)	(487,477)	(445,602)
beyond one year	(623,149)	(210,349)	-	-
	<u>845,711</u>	<u>802,724</u>	<u>(29,470)</u>	<u>(31,258)</u>
Represented by				
Share Capital	2	2	2	2
Profit and loss account	814,165	771,178	210,528	(31,260)
Capital Redemption Reserve	31,544	31,544	-	-
	<u>845,711</u>	<u>802,724</u>	<u>210,530</u>	<u>(31,258)</u>

	Group		Machzikei Hadass Communities	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Trade	511,597	404,969	171,382	110,000
Other Debtors	6,450	15,660	6,000	-
Income Tax (net)	7,079	8,319	7,079	8,319
Subsidiary Company Testbell Ltd	-	-	114,204	300,436
Erez M/c Ltd	-	-	310,500	118,331
	<u>525,126</u>	<u>428,948</u>	<u>609,165</u>	<u>537,086</u>

MACHZIKEI HADASS COMMUNITIES GROUP

Notes to the Financial Statements

For the year ended 31 August 2020 (Cont'd)

9. CREDITORS: payable within one year

	Group		Machzikei Hadass Communities	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Trade	127,417	142,308	-	-
Sundry Creditors	-	9,869	-	2,069
Expenses Accrued and Income in Advance	55,068	38,547	41,573	34,259
Loans	55,250	-	50,000	-
Social Security & Other Taxes	6,001	1,002	2,359	1,002
Bank Loans Overdrafts & Mortgages	47,798	31,000	24,000	24,000
	<u>291,534</u>	<u>222,726</u>	<u>117,932</u>	<u>61,330</u>

10. CREDITORS Payable beyond one year

	Group		Charity	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Bank Loans & Mortgages	801,075	598,012	488,426	502,663
Other Loans				
Total	<u>801,075</u>	<u>598,012</u>	<u>488,426</u>	<u>502,663</u>
These are due as follows :-				
1-2 Years	47,798	31,000	24,000	24,000
2-5 Years	143,394	93,000	72,000	72,000
Beyond 5 Years	609,883	474,012	392,426	406,663
	<u>801,075</u>	<u>598,012</u>	<u>488,426</u>	<u>502,663</u>

The bank loans are secured by charges over the properties which they finance.

The bank loans repayable after more than one year are due follows:

11. Related Parties

Gift aid totalling £80,200 was payable by Testbell Ltd to its parent Machzikei Hadass Communities. At the year end Machzikei Hadass Communities was owed £114,204 from its subsidiary Testbell Ltd and £310,500 from its subsidiary Erez (M/C) Ltd. After the year end Testbell Ltd paid a further £240,000 in Gift Aid to its parent.