

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

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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.

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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.

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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

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- 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
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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.

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Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and 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

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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.

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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		1,346,833	1,115,459	1,119,560	932,883
		<u>1,992,999</u>	<u>1,660,585</u>	<u>1,778,322</u>	<u>1,542,048</u>
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.