

MAYFAIR CHARITIES LIMITED

Company No: 927985

**CONSOLIDATED
FINANCIAL STATEMENTS**

for the year ended

31 MARCH 2023

COHEN ARNOLD
CHARTERED ACCOUNTANTS
& STATUTORY AUDITOR
LONDON NW11 0PU

MAYFAIR CHARITIES LIMITED

TRUSTEES

Mr B S E Freshwater (Chairman)
Mr D Davis
Mr S I Freshwater
Mr R Fischer

SECRETARIES

Mr J S Southgate
Mr M D E Bale

REGISTERED OFFICE

Freshwater House
158 - 162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen Arnold
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

PRINCIPAL BANKERS

Lloyds TSB

COMPANY NUMBER

927985

REGISTERED CHARITY NUMBER

255281

MAYFAIR CHARITIES LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Page	
1 - 5	Trustees' Report
6 - 9	Auditors' Report
10	Consolidated Statement of Financial Activities
11	Consolidated Balance Sheet
12	Company Balance Sheet
13	Consolidated Statement of Cash Flows
14 - 32	Notes to the Financial Statements

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT

The Governors, hereafter referred to as Trustees, who are also directors for the purposes of company law, have pleasure in presenting their Annual Report together with the Consolidated Financial Statements of the Company for the year ended 31 March 2023.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The official name of the Charity is Mayfair Charities Limited, a Company limited by guarantee.

Its company registration number is 927985 and its registered charity number is 255281.

The registered address of the Company is:

Freshwater House
158 - 162 Shaftesbury Avenue
LONDON WC2H 8HR

The Trustees of the Company who served during the year and who are still in office are:

Mr B S E Freshwater (Chairman)
Mr D Davis
Mr S I Freshwater
Mr R Fischer

STRUCTURE, GOVERNANCE AND MANAGEMENT

The day to day affairs of the Company are administered by an Executive Committee, the Chairman of which is Mr BSE Freshwater.

All Trustees give their time voluntarily and no benefits or expenses were paid to them during the year.

New Trustees are appointed based on personal competence, specialist skills, availability and knowledge of and contact with institutions professing and teaching the principles of traditional Judaism and the advancement of religion in accordance with the Jewish faith. New Trustees are inducted into the workings of the Company by the existing Trustees.

As the Charity is a Company limited by guarantee, its governing documents are its Memorandum and Articles of Association.

Group Structure and Relationships

The Company has the following wholly owned non-charitable operating subsidiaries:-

Freshwater Property Management Limited, a property management company
Haysgrans Property Co. Limited, a property investment company
Metropolitan Properties Co. (Overseas) Limited, a holding Company which owns subsidiaries incorporated in the USA.

Certain of the Trustees of this Company are also directors of the above companies.

Related Party Transactions

Details of transactions with 'Related Parties' are disclosed in Notes 10, 11, 12, 18 and 21 to the Financial Statements.

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

The Company was established to support the activities of religious Jewish organisations recognised as charitable by English Law both in the United Kingdom and abroad, especially those in the field of education and relief of poverty. The Trustees regularly support a significant number of institutions and organisations both in the United Kingdom and abroad which meet the Company's criteria.

The Company is also supportive of organisations which are solely committed to the relief of poverty. Such organisations assist needy Jewish families through both financial and non-financial grants and distributions.

The Company receives income from its investment properties, cash deposits, fixed asset listed investments and subsidiary and associated undertakings which it utilises in the provision and distribution of grants, donations and loans to organisations that fall within the objectives of the Company.

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

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the income and expenditure of the Group for that period.

In preparing these financial statements, the governors (trustees) are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Cohen Arnold, are willing to continue in office and a resolution re-appointing them in accordance with Section 485 of the Companies Act 2006 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as each Trustee is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT

STRATEGIC REVIEW

The Trustees have prepared a strategic report which includes a review of the Group's business and future developments, a description of the principal risks and uncertainties facing the Group and key performance indicators.

STRATEGY AND BUSINESS MODEL

The Company invests in investment properties, cash deposits, fixed asset listed investments and subsidiary and associated undertakings to generate income with which it makes grants, donations and loans to charitable organisations and institutions that fall within the objectives of the Company.

ACHIEVEMENTS AND PERFORMANCE

During the year the Company continued its philanthropic activities in support of religious, educational and other Charitable Institutions and the aggregate of donations made was £3,810,000 (2022: £3,177,000). Over 120 institutions and organisations were the recipients of the above donations. Expenditure on direct charitable activities aggregated £4,000 (2022: £5,000).

No change in activities is envisaged in the immediate future.

In recent years, the Trustees have continued to support certain major projects which, during previous years, have received substantial financial grants from the Company. At the present time the Trustees have entered into commitments for the financial support of Colleges and Institutions which is anticipated to absorb approximately £6 million comprising Tangible Fixed Assets made available by the Company and the provision of financial support over the next five years (Note 16). Funds to meet these commitments have been set aside and are referred to as "Designated Funds" in the Financial Statements.

The financial results of the Company and its Subsidiary Undertakings for the year ended 31 March 2023 are fully reflected in the attached Financial Statements together with the Notes thereon.

FINANCIAL REVIEW

Reserves Policy

The Company is required to maintain Reserves in order to ensure that it is in a position to continue its grant-making activities and cover contingencies of additional calls being made upon the Company for support of organisations or institutions in times of need.

Consequently, the Trustees consider it appropriate to maintain 'Free Reserves' (unrestricted funds not committed or invested in Tangible Fixed Assets, Fixed Asset Investments or Loans to Subsidiary Undertakings) at a level which will not impinge on its ability to support Charitable Institutions.

As at 31 March 2023, the Company has total funds of £78,145,000 (Group: £78,146,000). These funds include £43,775,000 (Group: £42,776,000) which arises from the revaluation of the Company's investments and is not readily available for general purposes. The funds of the Company and Group also include £5,953,000 of Designated Funds set aside for a Special Projects Fund, from which donations are made to various long-term charitable projects. Consequently, the Company has reserves of £28,417,000 (Group: £29,417,000) after making allowances for the Designated Funds and reserves not readily available. These reserves include the Free Reserves of the Company and are considered to be adequate and will be reviewed periodically by the Trustees.

Investment Policy

Under the Memorandum and Articles of Association, the Company has the power to make investments which the Trustees consider appropriate. The Trustees seek investments which, over a medium term, are anticipated to generate a dependable flow of income coupled with capital growth.

The Trustees consider the return on investments, in terms of both income and capital growth, given the challenging market conditions the Company operates within, to be satisfactory.

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT

Grant Making Policy

The Company makes Grants and Donations to Colleges and Institutions for the advancement of religion and education and to Institutions for the relief of poverty in accordance with the Charity's objectives. The recipient Institutions are based both in the United Kingdom and abroad.

In making Grants and Donations, the Trustees use their personal knowledge of the Institution, its representatives, operational efficiency and reputation. The Trustees monitor the application of the Grants and Donations by meeting with representatives of the Institutions and obtaining information as to the utilisation of funds.

During the current and prior year, the Grants and Donations made by the Company were for the advancement of religion and education and for the relief of poverty.

Risk Management

The Trustees have a risk management strategy which comprises an annual review of the principal risks and uncertainties to which the Company is exposed, in particular those to the operations and finances of the Company; the establishment of policies, systems and procedures to mitigate those risks identified in the annual review and the implementation of procedures designed to minimise or manage any potential impact on the Company should those risks materialise.

The principal risks to which the Company is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to property from flood, fire or terrorist action
- Planning construction and letting risk in relation to redevelopment activity
- The availability of liquid funds to make grants and donations
- The economic cycle generally
- The macroeconomic environment

The Company seeks to manage or mitigate such risks wherever possible through such measures as insurance, tenant screening and monitoring, rigorous reviews of acquisition and investment opportunities, external expert advice, monitoring cash and regular monitoring of the economic outlook. Ultimately, the Trustees are not overly concerned as they can manage the level of donations according to the available reserves.

Key Performance Indicators (KPIs)

The Trustees monitor the Group's performance progress against its strategic objectives and the financial performance of its operations on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial measures. The most significant KPIs used by the Group are as follows:

	2023	2022
Grants and donations paid out	£3.8 million	£3.2 million
Net rental income	£1 million	£0.8 million
Dividend income	£0.7 million	£0.6 million
Quoted and other investments at fair value	£26.9 million	£34.4 million
Investment property at fair value	£48.8 million	£49.9 million

PLANS FOR THE FUTURE

The Trustees plan to continue to make distributions in accordance with their grant making policy and ensure that the ability to generate sufficient income is maintained to achieve that end.

The Trustees have negotiated a conditional contract for the sale of an investment property which they are hopeful will come to fruition in the near future.

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)
TRUSTEES' REPORT

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 9 and 10 to the Financial Statements.

The Company's investment properties are included in the Balance Sheet at fair value, as fully disclosed in Note 10 to the Financial Statements.

An independent professional revaluation of all the group's property was carried out at 31 March 2023 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The valuation figures are based on open market value assessed in accordance with the RICS Valuation – Professional Standards (2014).

Trustees Report and Strategic Report Signed On Behalf of the Council


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Mr B S E Freshwater - Trustee

19 December 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)

OPINION

We have audited the financial statements of Mayfair Charities Limited (the 'charity') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Group Cash Flow Statements and the related notes, 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 FRS 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's and Parent Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including 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 Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- ☐ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ☐ the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group through discussion with the directors and senior management and identified financial reporting legislation, landlord legislation and charity legislation as being most significant to these financial statements.
- We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with the laws and regulations.
- We discussed with the directors and senior management the policies and procedures regarding compliance with these legal and regulatory frameworks.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

- We assessed the susceptibility of the group's financial statements to material misstatement due to non-compliance with legal and regulatory frameworks, including how fraud might occur, by enquiry with the directors and senior management during the planning and finalisation phases stages of our audit and by using proprietary disclosure checklists. The susceptibility to such material misstatement was determined to be low.
- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory frameworks, which were part of our procedures on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ☐ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- ☐ Conclude on the appropriateness of the trustees' 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ☐ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)

USE OF OUR REPORT

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



BARRY LEIGH
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

Our audit was completed on 19 December 2023 and our opinion was expressed at that date.

MAYFAIR CHARITIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
		Unrestricted Funds		Unrestricted Funds	
	Note	£'000	£'000	£'000	£'000
Income and Endowments from:					
Donations and Grants Received			1,250		1,250
Investments:					
Income from Fixed Asset Investments			658		634
Interest Receivable and Similar Charges			22		1
Rents and Charges Receivable			2,238		2,131
Other:					
Property Management Fees Receivable			1,280		1,304
Total Income			5,448		5,320
Expenditure on:					
Raising Funds:					
Property Outgoings			(1,238)		(1,344)
Interest Payable and Similar Charges	2		(98)		(75)
Investment Management Costs			(992)		(1,009)
Charitable Activities:					
Grants and Donations	3		(3,810)		(3,177)
Direct Charitable Activities			(4)		(5)
Payments from Special Projects Fund			(843)		(1,063)
Other:					
Governance Costs	4		(46)		(54)
Total Expenditure			(7,031)		(6,727)
NET INCOME / (EXPENDITURE) BEFORE GAINS ON INVESTMENTS			(1,583)		(1,407)
Net Gains / (Losses) on Investments:					
Gains on Disposal of Investment Property			-		984
Valuation of Investment Property			(1,265)		(2,413)
Valuation of Other Investments			(7,442)		1,230
			(8,707)		(199)
NET INCOME / (EXPENDITURE) BEFORE TAX	5		(10,290)		(1,606)
Taxation	7		101		(311)
NET INCOME / (EXPENDITURE) FOR THE YEAR AND MOVEMENT IN FUNDS	8		(10,189)		(1,917)
Reconciliation of Funds:					
Total Funds Brought Forward			88,335		90,252
TOTAL FUNDS CARRIED FORWARD			78,146		88,335

The notes on pages 14 to 32 form part of these Financial Statements.

MAYFAIR CHARITIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

		2023		2022	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible Assets	9		1,025		1,025
Investments	10		75,764		84,312
			<u>76,789</u>		<u>85,337</u>
CURRENT ASSETS					
Debtors	11	7,812		11,801	
Cash at Bank and in Hand		<u>11,115</u>		<u>6,637</u>	
		18,927		18,438	
CREDITORS: Amounts falling due within one year	12	<u>(14,393)</u>		<u>(12,260)</u>	
NET CURRENT ASSETS			<u>4,534</u>		<u>6,178</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			81,323		91,515
CREDITORS: Amounts falling due after more than one year	13		(1,609)		(1,512)
PROVISIONS	14		<u>(1,568)</u>		<u>(1,668)</u>
TOTAL NET ASSETS			<u>78,146</u>		<u>88,335</u>
UNRESTRICTED FUNDS					
Designated Funds	16		5,953		5,296
Other Charitable Funds	16		66,119		76,751
Non-Charitable Funds	16		6,074		6,288
TOTAL UNRESTRICTED FUNDS			<u>78,146</u>		<u>88,335</u>

The Financial Statements were approved by the Council on 19 December 2023 and signed on its behalf by

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MR B S E FRESHWATER
TRUSTEE

Company Registration Number: 927985

The notes on pages 14 to 32 form part of these Financial Statements.

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 31 MARCH 2023

		2023		2022	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible Assets	9		1,025		1,025
Investments	10		74,599		82,961
			<u>75,624</u>		<u>83,986</u>
CURRENT ASSETS					
Debtors	11	4,236		4,316	
Cash at Bank and in Hand		<u>962</u>		<u>2,193</u>	
		5,198		6,509	
CREDITORS: Amounts falling due within one year	12	<u>(1,068)</u>		<u>(649)</u>	
NET CURRENT ASSETS			<u>4,130</u>		<u>5,860</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			79,754		89,846
CREDITORS: Amounts falling due after more than one year			<u>(1,609)</u>		<u>(1,512)</u>
TOTAL NET ASSETS			<u>78,145</u>		<u>88,334</u>
UNRESTRICTED FUNDS					
Designated Funds	16		5,953		5,296
Other Charitable Funds	16		72,192		83,038
TOTAL UNRESTRICTED FUNDS			<u>78,145</u>		<u>88,334</u>

The Financial Statements were approved by the Council on 19 December 2023 and signed on its behalf by

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MR B S E FRESHWATER
TRUSTEE

Company Registration Number: 927985

The notes on pages 14 to 32 form part of these Financial Statements.

MAYFAIR CHARITIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
		Unrestricted Funds		Unrestricted Funds	
	Note	£'000	£'000	£'000	£'000
Cash Flows from Operating Activities:					
Net Cash used in Operating Activities	23		3,463		(822)
Cash Flows from Investing Activities					
Dividends, Interest and Rents from Investments		1,182		905	
Proceeds from Sale of Investments		-		1,074	
Purchase of Investments		(159)		(1,239)	
Net Cash Provided by Investing Activities			1,023		740
Cash Flows from Financing Activities					
Interest Paid		(8)		(9)	
Net Cash Used in Financing Activities			(8)		(9)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			4,478		(91)
CASH AND CASH EQUIVALENTS AT 1 APRIL 2022			6,637		6,728
CHANGE IN CASH AND CASH EQUIVALENTS DUE TO EXCHANGE RATE MOVEMENTS			-		-
CASH AND CASH EQUIVALENTS AT 31 MARCH 2023	24		11,115		6,637

The notes on pages 14 to 32 form part of these Financial Statements.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 158-162 Shaftesbury Avenue, London, WC2H 8HR.

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

The Consolidated Financial Statements incorporate the results of the company and its subsidiaries for the year ended 31 March 2023. These are adjusted, where appropriate, to conform to group accounting policies.

The following accounting policies have been used consistently in the preparation of the Group's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the Historical Cost Convention, as modified by the inclusion of fixed asset investments at fair value. The financial statements are prepared in sterling, which is the functional currency of the entity, and rounded to thousands.

The directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern and that there is no material uncertainty to this position, as the directors have a reasonable expectation that the company has adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting its liabilities and commitments as they fall due, based on available sources of finance.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 22.

The Company meets the definition of a public benefit entity under FRS 102.

1.2 GROUP FINANCIAL STATEMENTS

A separate Statement of Financial Activities, or Income and Expenditure Account for the Company itself is not presented in accordance with Section 408 of the Companies Act 2006.

The Group Financial Statements incorporate the financial statements of the company and its group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. The Group Financial Statements do not consolidate the results, nor the assets and liabilities of Freshwater Family Holdings Inc. as the Trustees are of the opinion that to do so would not reflect a true and fair view in the Financial Statements (see Note 10g). Freshwater Family Holdings Inc. and its operations are controlled and carried out in North America by its directors.

MAYFAIR CHARITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (cont'd)

1.3 INCOMING RESOURCES

This includes income from listed investments and deposits, rentals received from property assets, receipts under Deeds of Covenant from individuals and other grants and donations received by the Group. Non-monetary donations are recognised at fair value when this can be quantified. The abovementioned items are included in the Financial Statements on an accruals basis with the exception of income from listed companies which is included when received.

Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to first break clause. Service charge income is recognised as the services are provided.

1.4 PROPERTY OUTGOINGS

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Lease payments under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

1.5 GOVERNANCE COSTS

Governance costs include costs of the preparation and audit of financial statements and the cost of any legal advice to Trustees on governance or constitutional matters.

1.6 INVESTMENT GAINS AND LOSSES

This includes any gains or losses on the sale of investments and any gains or losses resulting from revaluing investments to fair value at the end of the year.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (cont'd)

1.7 DEFERRED TAX

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

There are no deferred tax provisions for the Company; it is exempt from tax due to its charitable status on the basis all income and gains will be applied solely for qualifying charitable purposes.

1.8 PROPERTIES HELD FOR USE BY CHARITY

These properties are stated at cost. Properties donated to the Company are included at fair value at the date of acquisition. No depreciation is charged on property interest in land.

1.9 INVESTMENT PROPERTY

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued. Any gain or loss arising from a change in fair value is recognised in the Statement of Financial Activities (SOFA) and taken to Other Unrestricted Funds.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (cont'd)

1.10 DISPOSALS OF PROPERTIES

The Group generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the Group's profit on ordinary activities, and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred. In addition the Group also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

1.11 LISTED INVESTMENTS

Shareholdings acquired are initially recorded at cost and subsequently included at fair value (in accordance with the SORP 2015); any surplus or deficit on revaluation is recognised in the SOFA and taken to Other Unrestricted Funds.

1.12 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Shareholdings acquired are initially recorded at cost and subsequently included at Trustees' best estimate of fair value (in accordance with the SORP 2015) based on the net asset value. The net asset values of the subsidiary undertakings reflect fair values of their underlying properties held for investment; any surplus or deficit on revaluation is recognised in the SOFA and taken to Other Unrestricted Funds.

1.13 OTHER INVESTMENTS

Other investments comprise shareholdings in unlisted companies and are initially recorded at cost and subsequently included at Trustees' best estimate of fair value (in accordance with the SORP 2015); any surplus or deficit on revaluation is recognised in the SOFA and taken to Other Unrestricted Funds.

1.14 FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (cont'd)

Basic financial instruments

Rental and other debtors

Rental and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Rent in advance and other creditors

Rent in advance and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.15 LIABILITY RECOGNITION

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to pay out resources.

1.16 FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange in respect of the month during which the transactions occurred, or where practicable, at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the Net Income.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (cont'd)

1.17 FUND ACCOUNTING

Unrestricted Funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and in accordance with relevant law.

Designated Funds are Unrestricted Funds, which have been set-aside at the discretion of the Trustees for specific purposes as noted below (Note 1.18).

Non-Charitable Funds are Unrestricted Funds and comprise the net aggregate reserves of the Company's subsidiaries computed by reference to the accounting policies of the subsidiaries.

Other Unrestricted Funds comprise Other Charitable Funds, representing the accumulated surplus or deficit on income and expenditure account and the excess of fair value over the cost of investments.

Restricted Funds are funds subject to specific restricted conditions imposed by donors. There are no Restricted Funds as at the Balance Sheet date.

1.18 DESIGNATED FUNDS

The Company has committed itself to various long-term charitable projects and transfers are made to Designated Funds in accordance with anticipated expenditure in respect of each individual project.

2. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £'000	2022 £'000
Bank Charges and Interest	8	9
Losses on Foreign Exchange	90	66
	<u>98</u>	<u>75</u>

3. GRANTS AND DONATIONS PAYABLE

	2023 £'000	2022 £'000
Grants and Donations Paid	3,410	2,777
Non-monetary Donations (see Note 21a – Provision of Facilities)	400	400
	<u>3,810</u>	<u>3,177</u>

All Grants and Donations were paid to charitable institutions for the advancement of religion and education and for the relief of poverty.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

3. GRANTS AND DONATIONS PAYABLE (cont'd)

The composition of monetary donations is shown below.

	£'000
BC Trust	1,096
Amud Hatzdokoh Trust	580
Chasdei Aharon Ltd	157
Kahal Chassidim Bobov	143
Chevrass Mooz Ladol	116
Shaarei Orah Ltd	92
North London Welfare & Educational Foundation	91
Friends of Mir	70
Mercas Hatorah Netzach Yisroel	70
Sassov Beis Hamedrash	53
Mifal Hachessed Vehatzedokoh	42
New Rachmistrivke Synagogue Trust	41
The Friends of Yeshivas Brisk	40
Mifal Tzedoko V'Chesed	40
Slabodka Yeshiva Trust	32
Chevrass Machzikei Mesifta	32
String of Pearls	31
Friends of Bobov	26
Three Pillars Trust	25
Rabinow Divrei Shir Kollel	25
Achisomoch Aid Co	24
Gateshead Talmudical College	21
British Friends of the Chazon Ish Institutions	21
Other Donations	542
	<u>3,410</u>

4. GOVERNANCE COSTS

	2023	2022
	£'000	£'000
Auditors' Remuneration	31	26
Legal and Professional Fees	15	28
	<u>46</u>	<u>54</u>

MAYFAIR CHARITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. NET INCOME BEFORE TAX

This is stated after charging:

	2023 £'000	2022 £'000
Auditors' Remuneration:		
Audit Fees	62	55
Other Professional Services	-	2
	<u> </u>	<u> </u>

These amounts are included in Governance Costs and Investment Management Costs.

6. STAFF COSTS AND EMOLUMENTS

No remuneration or other benefits from employment with the Company or a related entity were received by the Trustees or connected parties. No Trustee expenses have been incurred.

7. TAXATION

Major components of tax expense

	2023 £'000	2022 £'000
Deferred tax:		
Origination and reversal of timing differences	(101)	311
Taxation	<u>(101)</u>	<u>311</u>

All tax is recognised in the Consolidated Income and Expenditure Account.

Reconciliation of tax expense

The tax assessed on the net income for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%) by reference to the analysis below.

	2023 £'000	2022 £'000
Net expenditure before tax	(10,290)	(1,606)
Net expenditure by rate of tax	(1,955)	(305)
Non taxable income and expenses	1,920	250
Timing differences on unrealised gains	(24)	(28)
Timing difference on gift aid	(42)	(24)
Impact of change in tax rate	-	429
Other differences	-	(11)
Taxation	<u>(101)</u>	<u>311</u>

Factors that may affect future tax expense

An increase in the main UK corporation tax rate to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future tax charge accordingly.

The deferred tax liability at 31 March 2023 has been calculated based on the rate of 25% (2022: 25%).

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8. NET MOVEMENT IN FUNDS

Of the Net Movement in Funds of the Group, a deficit of £10,189,000 (2022: deficit of £1,927,000) has been dealt with in the Statement of Financial Activities of the Charity itself.

9. TANGIBLE FIXED ASSETS

Group and Company

**Property Held
for use by
Charity
£'000**

At 1 April 2022 and 31 March 2023

1,025

The Properties Held for Use by Charity are stated at historical cost.

10. INVESTMENTS

Group	Freehold Properties £'000	Long Leasehold Properties £'000	Listed Investments £'000	Other Investments £'000	Total £'000
FAIR VALUE					
At 1 April 2022	37,448	12,483	46	34,335	84,312
Additions	159	-	-	-	159
Disposals	-	-	-	-	-
Transfers	34	(34)	-	-	-
Revaluation	(92)	(1,173)	3	(7,445)	(8,707)
At 31 March 2023	<u>37,549</u>	<u>11,276</u>	<u>49</u>	<u>26,890</u>	<u>75,764</u>

Company	Freehold Properties £'000	Long Leasehold Properties £'000	Listed Investments £'000	Investments in Subsidiary Undertakings £'000	Other Investments £'000	Total £'000
FAIR VALUE						
At 1 April 2022	37,448	4,844	46	6,288	34,335	82,961
Additions	159	-	-	-	-	159
Disposals	-	-	-	-	-	-
Transfers	34	(34)	-	-	-	-
Revaluation	(92)	(773)	3	(214)	(7,445)	(8,521)
At 31 March 2023	<u>37,549</u>	<u>4,037</u>	<u>49</u>	<u>6,074</u>	<u>26,890</u>	<u>74,599</u>

a) All Investments, subject to the comments below, are stated at fair value as at 31 March 2023.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

10. INVESTMENTS (cont'd)

- b) An independent professional revaluation of all the group's property was carried out at 31 March 2023 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The valuation figures are based on open market value assessed in accordance with the RICS Valuation – Professional Standards (2014).

The historical cost of the Group's Investment Properties at 31 March 2023 is £23,404,000 (2022: £23,245,000). The historical cost of the Company's Investment Properties at 31 March 2023 is £22,806,000 (2022: £22,646,000).

Valuation techniques and key inputs

The group's residential apartments and houses (£16.8 million) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies.

The group's commercial units (£32 million) were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review.

- c) Other Investments comprise 565,000 shares in Daejan Holdings Limited, valued by the Trustees using a combined discounted net asset and dividend yield approach and 133,650 shares in Metropolitan Properties Company Limited. The value of the Metropolitan Properties Company Limited shares has been estimated by the Trustees based on the underlying value of assets less liabilities.

Both companies have directors in common with the directors of the Company.

The historical cost of the Group's and the Company's Listed and Other Investments at 31 March 2023 is £8,016,000 (2022: £8,016,000).

- d) The value of the Investments in Subsidiary Undertakings has been estimated by the Trustees based on the underlying value of assets (as above, Note 10b) less liabilities of the Subsidiary Undertakings.

The historical cost of the Investments in Subsidiary Undertakings as at 31 March 2023 is £1,000 (2022: £1,000).

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

10. INVESTMENTS (cont'd)

- f) The Company holds directly and indirectly the whole of the issued share capital in the following Companies, all of which are incorporated in Great Britain and registered in England & Wales (unless otherwise indicated) and have certain directors in common with the Company.

	Company Number
<u>Directly Held Subsidiaries</u>	
Freshwater Property Management Limited	00891786
Gladville Limited	02454653
Haysgrans Property Co. Limited	00662308
Metropolitan Properties Co. (Overseas) Limited	00863934
<u>Indirectly Held Subsidiaries</u>	
Freshwater Family Holdings Inc. (USA)	n/a

The aggregate amount of assets, liabilities and funds of the subsidiary undertakings are as follows:

	Assets £'000	Liabilities £'000	Capital & Reserves £'000
Freshwater Property Management Limited	17,082	(13,973)	3,109
Gladville Limited	-	-	-
Haysgrans Property Co. Limited	7,376	(4,829)	2,547
Metropolitan Properties Co. (Overseas) Limited	418	-	418

A summary of turnover, expenditure and profit or loss for the year is shown below for each operational subsidiary undertaking.

	Freshwater Property Management Limited £'000	Haysgrans Property Co. Limited £'000	Metropolitan Properties Co. (Overseas) Limited £'000
Turnover	1,280	308	-
Cost of sales	-	(164)	-
Administrative expenses	(976)	(16)	-
Net valuation gains on investment property	-	(400)	-
Interest receivable and similar income	20	-	-
Interest payable and similar charges	(5)	(232)	-
Profit before tax	319	(504)	-
Taxation	(20)	119	-
Profit for financial year	299	(385)	-

- g) The Company holds 50% of the issued share capital in West Heath Villas Management Ltd (Company Number: 13180061) which is registered in England & Wales and has certain directors in common with the Company.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

10. INVESTMENTS (cont'd)

Freshwater Family Holdings Inc. and its operations are controlled and carried out in North America by its directors. The Capital and Reserves of the above company at its year end of 31 December 2010 (the latest figures available) were in deficit in the amount of \$9,406,515 (2009: deficit of \$8,768,021). None of the deficiency in Net Assets of Freshwater Family Holdings Inc. would impinge upon the Company itself. In consequence, the Group Financial Statements do not consolidate the results, nor the assets and liabilities of Freshwater Family Holdings Inc. as the Trustees are of the opinion that to do so would not reflect a true and fair view in the Financial Statements.

Freshwater Family Holdings Inc. is a direct subsidiary of Metropolitan Properties Co. (Overseas) Limited, the Share Capital of which was acquired for nominal consideration many years ago.

11. DEBTORS

	Note	Group		Company	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Amount owed by subsidiary undertakings	11a	-	-	2,903	2,903
Amounts due from connected undertakings	11b	6,274	10,161	6	17
Loan debtors (charitable purposes)		641	617	641	617
Rental debtors		583	543	578	538
Other debtors		314	480	108	241
		<u>7,812</u>	<u>11,801</u>	<u>4,236</u>	<u>4,316</u>

All debtors are interest-free and repayable on demand except as disclosed below.

- a) The Amount due from Subsidiary Undertaking comprises an interest-bearing loan due from Haysgrans Property Co. Limited, a company with directors in common with the Company. The loan was advanced some years ago and is effectively repayable on demand. Interest is charged at a rate of 8%.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

11. DEBTORS (cont'd)

- b) Amounts due from Connected Undertakings comprise amounts due from companies and other entities as detailed on the following page, of which certain Trustees and directors of the Company and the Group are also directors and trustees.

Other than in respect of amounts due to the Company itself, Amounts due from Connected Undertakings mainly comprise balances due on property management current account which are interest free and effectively repayable on demand.

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cherry Orchard Properties Limited	-	1	-	-
Newprop Company Limited	-	8	-	-
L K B Investments Limited	45	50	-	-
Bastion Products Limited	-	15	-	-
Freshwater Family Retirement Benefits Scheme	749	439	-	-
The Raphael Freshwater Memorial Association Limited	2	17	2	17
Highdorn Co. Limited	5,102	8,841	-	-
The Bampton Property Group Limited	61	51	-	-
Bampton (B&B) Limited	7	6	-	-
Bampton (Redbridge) Limited	11	12	-	-
Brickfield Properties Limited	69	285	-	-
City and Country Properties Limited	148	253	-	-
City and Country Properties (Midlands) Limited	24	50	-	-
The Halliard Property Co. Limited	36	112	-	-
Other Freshwater Group Companies	20	21	4	-
	<u>6,274</u>	<u>10,161</u>	<u>6</u>	<u>17</u>

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group		Company	
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Amounts owed to subsidiary undertakings		-	-	325	-
Amounts owed to connected undertakings	12a	13,134	11,167	163	82
Taxation and social security		16	-	16	-
Rent in advance		259	317	240	289
Other creditors and accruals		984	776	324	278
		<u>14,393</u>	<u>12,260</u>	<u>1,068</u>	<u>649</u>

- a) Amounts owed to Connected Undertakings comprise amounts due to companies and other entities as detailed below, of which certain Trustees and directors of the Company and the Group are also directors and trustees. The amounts are due on property management current account, are interest free and effectively repayable on demand.

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bastion Products Limited	1,260	1,260	-	-
Highdorn Co. Limited	1,123	1,060	163	82
Metropolitan Properties Co (Cloisters) Limited	1,066	893	-	-
L K B Investments Limited	9,626	7,893	-	-
Other Freshwater Group Companies	59	61	-	-
	<u>13,134</u>	<u>11,167</u>	<u>163</u>	<u>82</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Company

	2023	2022
	£'000	£'000
Other Creditors	1,609	1,512
	<u>1,609</u>	<u>1,512</u>

Amounts are payable as follows:

In more than one year but not more than two years	-	1,512
In more than two years but not more than five years	-	-
In five years or more	1,609	-
	<u>1,609</u>	<u>1,512</u>

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

14. PROVISION FOR LIABILITIES

The movement in the deferred taxation provision during the year was:

Group – Investment Property

	£'000
At 1 April 2022	1,668
Movements during the year	(100)
At 31 March 2023	<u>1,568</u>

There are no deferred tax provisions for the Company; it is exempt from tax due to its Charitable Status on the basis all income and gains will be applied solely for qualifying charitable purposes.

15. OPERATING LEASES

As Lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2023	2022
	£'000	£'000
Not later than 1 year	816	927
Later than 1 year and not later than 5 years	1,503	1,691
Later than 5 years	481	1,286
	<u>2,800</u>	<u>3,904</u>

16. UNRESTRICTED INCOME FUNDS

Group	Designated Funds £'000	Other Charitable Funds £'000	Non Charitable Funds £'000	Total Funds £'000
Balance at 1 April 2022	5,296	76,751	6,288	88,335
Net income/(expenditure) for the year	657	(10,632)	(214)	(10,189)
Balance at 31 March 2023	<u>5,953</u>	<u>66,119</u>	<u>6,074</u>	<u>78,146</u>

Company	Designated Funds £'000	Other Charitable Funds £'000	Total Funds £'000
Balance at 1 April 2022	5,296	83,038	88,334
Net expenditure for the year	657	(10,846)	(10,189)
Balance at 31 March 2023	<u>5,953</u>	<u>72,192</u>	<u>78,145</u>

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Fixed Assets £'000	Net Current Assets £'000	Long Term Liabilities £'000	Total £'000
Unrestricted Income Funds	76,789	4,534	(3,177)	78,146
Total Funds	<u>76,789</u>	<u>4,534</u>	<u>(3,177)</u>	<u>78,146</u>

Company	Fixed Assets £'000	Net Current Assets £'000	Long Term Liabilities £'000	Total £'000
Unrestricted Income Funds	75,624	4,130	(1,609)	78,145
Total Funds	<u>75,624</u>	<u>4,130</u>	<u>(1,609)</u>	<u>78,145</u>

18. TRUSTEES' INTERESTS IN CONTRACTS

Property Management Fees Receivable are derived from property management activities undertaken by Freshwater Property Management Limited in respect of properties owned by Companies within the Freshwater Group of Companies with which this Group is related and were charged at normal commercial rates. Mr B S E Freshwater is a Director of those Companies and he together with members of his family are indirectly interested in their Share Capital.

Included within Investment Management Costs are management and administration charges totalling £960,000 (2022: £978,000) charged at normal commercial rates for the day-to-day management of Freshwater Property Management Limited which is carried out by Highdom Co. Limited, a company within the Freshwater Group of Companies. Mr B S E Freshwater is a director of Highdom Co. Limited but has no beneficial interest in its share capital.

19. FINANCIAL INSTRUMENTS

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial assets measured at fair value through income and expenditure:				
Listed and other investments (see Note 10)	26,939	34,381	26,939	34,381
Investment in subsidiary undertakings (see Note 10)	-	-	6,074	6,288
Financial assets measured at amortised cost (see Note 11)	7,812	11,801	4,236	4,316
Financial liabilities measured at amortised cost (see Note 12 & 13)	<u>16,002</u>	<u>13,772</u>	<u>2,677</u>	<u>2,161</u>

The income, expense, net gains and losses, including changes in fair value, for financial assets measured at fair value and financial assets and liabilities measured at amortised cost are included within the Statement of Financial Activities.

The fair values of the principal investments held at fair value through profit and loss at the balance sheet date are determined by trustees valuation.

MAYFAIR CHARITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2022 £'000	Cash flows £'000	Non-cash movements £'000	At 31 Mar 2023 £'000
Cash in hand and at bank	6,637	4,478	-	11,115
Debt due after one year	(1,512)	-	(97)	(1,609)
	<u>5,125</u>	<u>4,478</u>	<u>(97)</u>	<u>9,506</u>

Non-cash movements represent exchange rate movements.

21. RELATED PARTY TRANSACTIONS

In addition to the matters set out elsewhere in these Financial Statements, the following related party transactions should be noted.

a) **GRANTS AND DONATIONS**

Grants and Donations made by the Company include the following amounts which were donated to charitable companies, the trustees of which are Trustees of the Company.

	2023 £'000	2022 £'000
Sassov Beis Hamedrash	53	26
Beth Jacob Grammar School for Girls Limited:		
Donations	-	1,150
Provision of facilities	<u>400</u>	<u>400</u>

The school building occupied by Beth Jacob Grammar School for Girls Limited is owned by the Company. The continued occupation of the premises is on a 'rent free' basis. The notional benefit arising from such rent free accommodation is estimated to be £400,000 per annum. In order to fully reflect the underlying nature of this arrangement, the notional benefit has been included within 'Rents and Charges Receivable' with an equal amount included within 'Grants and Donations'.

b) **DONATIONS AND GRANTS RECEIVED**

Donations and Grants Received comprises £1,250,000 received from Metropolitan Properties Company Limited, a company whose Directors are Trustees of this Company.

22. ACCOUNTING ESTIMATES AND JUDGEMENTS

(i) **Property valuation**

The valuation of the group's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 10). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 1.9 above, all the group's properties are valued by external valuers with appropriate qualifications and experience.

MAYFAIR CHARITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(ii) Unlisted investments valuation

The valuation of the group's unlisted investments is subjective, depending on many factors, including comparator dividend yields and net asset values, assumed rationale of prospective share purchasers, and the deemed impact of entity specific conditions on the aforementioned measures. Significant judgement is also required when selecting comparator companies to be included in the population from which expected yields and discounted net asset values are derived. Therefore, the valuation is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

(iii) Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

MAYFAIR CHARITIES LIMITED
NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

23. RECONCILIATION OF NET INCOME TO NET CASH USED IN OPERATING ACTIVITIES

	2023	2022
	£'000	£'000
Net expenditure for the year	(10,189)	(1,917)
Adjustments for:		
Losses/(gains) on investments	8,707	199
Interest paid	98	75
Dividends, interest and rents from investments	(1,680)	(1,422)
Notional rent received	400	400
Increase/(decrease) in charitable loan provisions	-	334
Net charitable loans (advanced)/repaid	(24)	(41)
(Increase)/decrease in debtors	4,053	2,258
Increase/(decrease) in creditors	2,198	(1,018)
Increase/(decrease) in provisions for liabilities	(100)	310
Net cash used in operating activities	<u>3,463</u>	<u>(822)</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£'000	£'000
Cash at Bank and in Hand	<u>11,115</u>	<u>6,637</u>
Total cash and cash equivalents	<u>11,115</u>	<u>6,637</u>

MAYFAIR CHARITIES LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 6 to 9.**

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)

INCOME & EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£'000	£'000
Income and Endowments from:		
Donations and Grants Received	1,380	1,250
Investments:		
Income from Fixed Asset Investments	658	634
Interest Receivable and Similar		
Charges	234	298
Rents and Charges Receivable	1,930	1,794
Total Income	<u>4,202</u>	<u>3,976</u>
Expenditure on:		
Raising Funds:		
Property Outgoings	(1,074)	(1,195)
Interest Payable and Similar Charges	(93)	(69)
Charitable Activities:		
Grants and Donations	(3,810)	(3,177)
Direct Charitable Activities	(4)	(5)
Payments from Special Projects Fund	(843)	(1,063)
Other:		
Governance Costs	(46)	(54)
Total Expenditure	<u>(5,870)</u>	<u>(5,563)</u>
NET INCOME / (EXPENDITURE)		
BEFORE GAINS ON INVESTMENTS	(1,668)	(1,587)
Net Gains / (Losses) on Investments:		
Gain on sale of Investment Property	-	984
Valuation of Investment Property	(865)	(1,941)
Valuation of Listed and Other		
Investments	(7,656)	617
	<u>(8,521)</u>	<u>(340)</u>
NET INCOME / (EXPENDITURE) FOR		
THE YEAR AND MOVEMENT IN FUNDS	(10,189)	(1,927)
Reconciliation of Funds:		
Total Funds Brought Forward	88,334	90,261
TOTAL FUNDS CARRIED FORWARD	<u>78,145</u>	<u>88,334</u>

MAYFAIR CHARITIES LIMITED
(LIMITED BY GUARANTEE)
PROPERTY REVENUE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	Unrestricted Funds		Unrestricted Funds	
	£'000	£'000	£'000	£'000
Rents and Other Charges Receivable		1,930		1,794
Less: Property Outgoings				
General and Water Rates	387		225	
Insurance	69		66	
Repairs and Maintenance	282		293	
Lighting and Heating	125		113	
Porterage and Cleaning	154		219	
Legal and Professional Charges	29		170	
Service Charges	22		18	
Letting Commission	6		91	
		(1,074)		(1,195)
NET PROPERTY REVENUE		856		599