

CHARITY REGISTRATION NUMBER: 260439

The MK Charitable Trust
Unaudited Financial Statements
5 April 2021

COHEN ARNOLD
Chartered Accountants
New Burlington House
1075 Finchley Road
London
NW11 0PU

The MK Charitable Trust
Financial Statements
Year ended 5 April 2021

	Pages
Trustees' annual report	1 to 3
Independent examiner's report to the trustees	4
Statement of financial activities	5
Statement of financial position	6
Notes to the financial statements	7 to 13

The MK Charitable Trust
Trustees' Annual Report
Year ended 5 April 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 5 April 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The MK Charitable Trust
Charity registration number	260439
Principal office	50 Keswick Street Gateshead Tyne & Wear NE8 1TQ
The Trustees	Mr D Katz Mr S Kaufman Mr A Piller
Independent examiner	Benny Brenig FCA New Burlington House 1075 Finchley Road London NW11 0PU

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is run by the trustees and is governed by a Trust Deed.

Appointment, Training and Recruitment of Trustees

The trustees administer the day-to-day affairs of the charity. They are all experienced trustees and act in an honorary capacity. It is not currently the intention of the Trustees of the Charity to appoint new Trustees. Should the situation change in the future, the Trustees will apply suitable recruitment and training procedures. All trustees give their time voluntarily and no benefit or expenses were paid to them in the year. New Trustees are inducted into the workings of the Charity by the existing Trustees and are given access to the Charity Commission publications.

None of the trustees have any beneficial interest in the charity.

Risk Management

The trustees have identified and reviewed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity, and are satisfied that systems are in place to mitigate those risks.

The MK Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 5 April 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Financial risk management and policies

The charity holds or issues financial instruments in order to achieve three main objectives being:

- a) to finance its operations
- b) to manage its exposure to interest and currency risks arising from operations and from its sources of finance; and
- c) to generate funds.

In addition various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the charities operations.

Credit risk

The charity monitors credit risk closely and considers that its current policies of credit risk checks meets its objectives of managing exposure to credit risk. The charity has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under the financial instruments. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed

Related Party Transactions

All related party transactions have been disclosed in the financial statements.

OBJECTIVES AND ACTIVITIES

Objectives

The Trust is established to further those purposes recognised as charitable by English Law and in furtherance of the aforementioned objects the Charity applies the income it receives mainly from its investment properties to the provision and distribution of grants and donations to Orthodox Jewish Charities.

Activities

The income of the charity is derived from investments and from donations from the trustees and their associates. The aim is to distribute the income of the charity to organisations that fall within the objectives of the Charity. The trustees continued their support of those organisations deemed to promote the objectives of this charity.

The Trustees confirm their compliance with the duty to have due regard to the public benefit guidance published by the Charity Commission when reviewing the Charity's aims and objectives and in planning future activities.

ACHIEVEMENTS AND PERFORMANCE

During the year the charity continued its philanthropic activities and its support of religious educational and other charitable institutions and aggregate donations were paid in the sum of £1,124,796 (2020: £138,508). The benefits that these charities provide include:

- Financial support to the poor
- Provision of basic necessities to the poor
- Relief of sickness and disabilities
- Jewish education and places of worship for the Jewish community

The MK Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 5 April 2021

FINANCIAL REVIEW

The charity is reliant on the income from its investment properties and on voluntary income. The charity's incoming resources totalled £48,633 (2020: £291,909). Expenditure on charitable activity was £1,175,847 (2020: £191,214).

Grant Making Policy

The Charity accepts applications for grants from representatives of charities, which are reviewed by the trustees on a regular basis. The trustees consider all requests which they receive and make donations based on the level of funds available.

Reserves Policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which the trustees think appropriate after considering the future commitments of the charity and the likely administrative costs of the charity for the next year. As at 5 April 2021 the Charity had reserves of £342,232 of which £200,751 was invested for the purpose of generating income.

Investment Powers And Policy

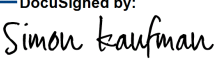
In accordance with the trust deed, the charity has the power to make any investment which the trustees see fit. The trustees regularly view the charity's position and needs in respect of the investment policy.

The trustees, having regard to liquidity requirements of the charity and the reserves policy, operate a policy of holding available funds in interest bearing deposit accounts.

PLANS FOR FUTURE PERIODS

The charity plans to continue its activities outlined above in the forthcoming years subject to satisfactory incoming resources.

The trustees' annual report was approved on 2 September 2021 and signed on behalf of the board of trustees by:

DocuSigned by:

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Mr S Kaufman
Trustee

The MK Charitable Trust
Independent Examiner's Report to the Trustees of The MK Charitable Trust
Year ended 5 April 2021

I report to the trustees on my examination of the financial statements of The MK Charitable Trust ('the charity') for the year ended 5 April 2021.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

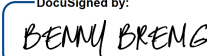
I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

INDEPENDENT EXAMINER'S STATEMENT

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

DocuSigned by:

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Benny Brenig FCA
Independent Examiner

New Burlington House
1075 Finchley Road
London
NW11 0PU

2 September 2021

The MK Charitable Trust
Statement of Financial Activities
Year ended 5 April 2021

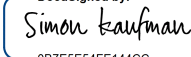
		2021	2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	4	20,000	210,146
Investment income	5	<u>28,633</u>	<u>81,763</u>
Total income		<u>48,633</u>	<u>291,909</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	6	(30,996)	(40,940)
Expenditure on charitable activities	7,8	<u>(1,144,851)</u>	<u>(150,274)</u>
Total expenditure		<u>(1,175,847)</u>	<u>(191,214)</u>
Net gains/(losses) on disposal of investments	11	<u>(6,107)</u>	<u>(2,098)</u>
Net (expenditure)/income		<u>(1,133,321)</u>	<u>98,597</u>
Gains/(losses) on revaluation of investments			
Fair value movements		<u>(29,999)</u>	<u>(5,177)</u>
Net movement in funds		<u>(1,163,320)</u>	<u>93,420</u>
Reconciliation of funds			
Total funds brought forward		<u>1,505,552</u>	<u>1,412,132</u>
Total funds carried forward		<u>342,232</u>	<u>1,505,552</u>

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

The MK Charitable Trust
Statement of Financial Position
5 April 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	15	200,751	1,273,000
Current assets			
Debtors	16	38,571	92,838
Cash at bank and in hand		141,148	194,680
		<u>179,719</u>	<u>287,518</u>
Creditors: amounts falling due within one year	17	<u>(38,238)</u>	<u>(54,966)</u>
Net current assets		<u>141,481</u>	<u>232,552</u>
Total assets less current liabilities		<u>342,232</u>	<u>1,505,552</u>
Net assets		<u>342,232</u>	<u>1,505,552</u>
Funds of the charity			
Unrestricted funds		342,232	1,505,552
Total charity funds	18	<u>342,232</u>	<u>1,505,552</u>

These financial statements were approved by the board of trustees and authorised for issue on 2 September 2021, and are signed on behalf of the board by:

DocuSigned by:

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Mr S Kaufman
Trustee

The notes on pages 7 to 13 form part of these financial statements.

The MK Charitable Trust
Notes to the Financial Statements
Year ended 5 April 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 50 Keswick Street, Gateshead, Tyne & Wear, NE8 1TQ.

2. Statement of compliance

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.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

(i) Property valuation

The valuation of the charity'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. 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 above, all the charity's properties are valued by the Trustees who have extensive experience in the field of property investment and valuation.

(ii) 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 of these debtors.

Fund accounting

Unrestricted funds comprise the accumulated surplus or deficit from the charity's income and expenditure as well as the accumulated surplus or deficit on unrealised revaluations. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

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

Designated funds are funds which have been set at the discretion of the Trustees for specific purposes. There are no designated funds as at the Balance Sheet date.

The MK Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 5 April 2021

3. Accounting policies *(continued)*

Incoming resources

Investment income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. Income from donations or grants is recognised when received.

Resources expended

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

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

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

Investments

Unlisted investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investment property

The trust's investment properties are included in the financial statements at the trustees' best estimate of open market value at the balance sheet date. The unrealised gains and losses are shown in the Statements of Financial Activities. No depreciation is charged on the investment properties.

The MK Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 5 April 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Debt instruments are subsequently measured at amortised cost.

All equity instruments regardless of significance, and other financial assets that are individually significant, are assessed individually for impairment.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations receivable	<u>20,000</u>	<u>20,000</u>	<u>210,146</u>	<u>210,146</u>

Donations receivable include amounts received from trustees and entities connected to them.

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	26,528	26,528	81,737	81,737
Dividends receivable	2,000	2,000	—	—
Interest receivable	<u>105</u>	<u>105</u>	<u>26</u>	<u>26</u>
	<u>28,633</u>	<u>28,633</u>	<u>81,763</u>	<u>81,763</u>

6. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Investment property management costs	<u>30,996</u>	<u>30,996</u>	<u>40,940</u>	<u>40,940</u>

The MK Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 5 April 2021

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Charitable activities	1,124,796	1,124,796	138,508	138,508
Support costs	20,055	20,055	11,766	11,766
	<u>1,144,851</u>	<u>1,144,851</u>	<u>150,274</u>	<u>150,274</u>

8. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable activities	1,124,796	9,323	1,134,119	147,739
Governance costs	—	10,732	10,732	2,535
	<u>1,124,796</u>	<u>20,055</u>	<u>1,144,851</u>	<u>150,274</u>

9. Analysis of support costs

	Analysis of support costs - Grant giving £	Total 2021 £	Total 2020 £
General office	9,323	9,323	9,231
Governance costs	10,732	10,732	2,535
	<u>20,055</u>	<u>20,055</u>	<u>11,766</u>

10. Analysis of grants

During the year the charity made donations to charitable institutions as follows:

	£
Five K Foundation	135,000
HP Charitable Trust	135,000
JO Charitable Trust	135,000
MD and S Charitable Trust	135,000
MO Charitable Trust	135,000
SK Charitable Trust	135,000
Mendel Kaufman Memorial Trust	120,000
Lingate Charitable Trust	110,000
Other donations (below £25,000)	84,796
	<u>1,124,796</u>

Included in the charitable donations are amounts totalling £692,500 paid to charities with which this charity has trustees in common.

The MK Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 5 April 2021

11. Net gains/(losses) on disposal of investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Realised gains/(losses) on investment property	<u>(6,107)</u>	<u>(6,107)</u>	<u>(2,098)</u>	<u>(2,098)</u>

12. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>5,400</u>	<u>4,000</u>

13. Staff costs

No salaries or wages have been paid to employees, including trustees, during the year.

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the Charity or a related entity were received by the Trustees or connected parties.

15. Investments

	Investment properties £	Other investments £	Total £
Cost or valuation			
At 6 April 2020	1,243,000	30,000	1,273,000
Additions	—	—	—
Disposals	(1,042,250)	—	(1,042,250)
Fair value movements	—	(29,999)	(29,999)
At 5 April 2021	<u>200,750</u>	<u>1</u>	<u>200,751</u>
Impairment			
At 6 April 2020 and 5 April 2021		—	—
Carrying amount			
At 5 April 2021	<u>200,750</u>	<u>1</u>	<u>200,751</u>
At 5 April 2020	<u>1,243,000</u>	<u>30,000</u>	<u>1,273,000</u>

All investments shown above are held at valuation.

Investment properties

Investment properties are included at open market value as per the Trustees' valuation. The Trustees are all experienced in the field of property valuation.

The historical cost of the charity's investments was £207,540.

The MK Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 5 April 2021

16. Debtors

	2021	2020
	£	£
Trade debtors	5,425	69,578
Other debtors	33,146	23,260
	<u>38,571</u>	<u>92,838</u>

Included in other debtors is an amount of £5,561 owed by charitable companies with trustees who are amongst the trustees of this charity.

17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	–	446
Accruals and deferred income	5,400	4,000
Other creditors	32,838	50,520
	<u>38,238</u>	<u>54,966</u>

18. Analysis of charitable funds**Unrestricted funds**

	At 6 April 2020	Income £	Expenditure £	Gains and losses £	At 5 April 2021 £
General funds	<u>1,505,552</u>	<u>48,633</u>	<u>(1,175,847)</u>	<u>(36,106)</u>	<u>342,232</u>

	At 6 April 2019	Income £	Expenditure £	Gains and losses £	At 5 April 2020 £
General funds	<u>1,412,132</u>	<u>291,909</u>	<u>(191,214)</u>	<u>(7,275)</u>	<u>1,505,552</u>

The MK Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 5 April 2021

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Investments	200,751	200,751
Current assets	179,719	179,719
Creditors less than 1 year	(38,238)	(38,238)
Net assets	<u>342,232</u>	<u>342,232</u>

	Unrestricted Funds £	Total Funds 2020 £
Investments	1,273,000	1,273,000
Current assets	287,518	287,518
Creditors less than 1 year	(54,966)	(54,966)
Net assets	<u>1,505,552</u>	<u>1,505,552</u>

20. Related parties

All transactions with related parties have been disclosed in the notes to the accounts.