

THE MELOW CHARITABLE TRUST

England & Wales · Charity number 275454

Details

Status Registered

Legal form Other

Registered 1978-04-17

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

Contact

Address Lower Ground Floor
68 Filey Avenue
London
N16 6JJ

Phone 02088061549

Activities

Objects: TO OR TOWARDS OR IN FURTHERANCE OR FOR THE BENEFIT OF SUCH ONE OR MORE CHARITIES CHARITABLE INSTITUTIONS OR CHARITABLE PURPOSES IN ANY PART OF THE WORLD IN SUCH SHARES AND IN SUCH MANNER AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION MAY FROM TIME TO TIME DETERMINE.

Activities: grant other charities

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Hackney

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,014,313	£1,265,016	£10,206,534	0
2023-12-31	£1,108,508	£2,244,442	£10,457,237	0
2022-12-31	£1,392,972	£1,009,616	£11,593,171	0
2021-12-31	£1,053,809	£1,734,369	£11,607,597	0
2020-12-31	£1,209,703	£1,142,568	£12,288,157	0

Trustees

Name	Role	Appointed
ABRAHAM LOW		2022-12-23
Miriam Spitz		
Rachel Weiss		2022-12-23

THE MELOW CHARITABLE TRUST

England & Wales - Charity number 275454

Accounts

Charity registration number 275454 (England and Wales)

THE MELOW CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

THE MELOW CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Spitz A Low R Weiss
Charity number (England and Wales)	275454
Auditor	Glazers 843 Finchley Road London NW11 8NA

THE MELOW CHARITABLE TRUST

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THE MELOW CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of the trust are for general charitable purposes and in particular for the relief of poverty and the advancement of religion and religious education.

The trustees confirm that they have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting the grant making policies for the year.

This charity was established for general charitable purposes and in particular for the relief of poverty and the advancement of the Jewish religion, especially in the field of education. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objects of the charity and in doing so the charity has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2011.

Under the Trust Deed, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objects. The trustees regularly review the charity's position and needs in respect of the investment policy.

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

Grants are made to charitable institutions and organisations which conform to the objects of the charity after the trustees have satisfied themselves as to the bona fides of the recipients.

Applications for grants are made in writing to the charity or in person to the Trustees by voluntary and community organisations. All donations above £3,000 require approval of all the Trustees and after making the necessary checks, proportional to the level of funding involved, donations are provided

Achievements and performance

During the period under review £1,114,501 (2023: £2,094,610) was distributed in furtherance of the charity's objectives. The analysis of grants can be found in note 7 to the financial statements.

Financial review

The charity is dependent for its income on the commercial activities of its subsidiary and voluntary donations from companies connected with the trustees. The parent charity also receives a small amount of rental income from its sole investment property. The subsidiary undertaking, Lota Estates Limited, has a portfolio of investment properties and the group's performance can be seen in the financial statements set out below.

The parent charity's investment property produced income of £27,500, with the subsidiary having £976,813 of rental income. The charity also received donation income amounting to £10,000.

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.

At the year end, £ 10,206,534 (2023: £10,457,237) was held as unrestricted funds, of which £1,081,801 (2023: £1,332,48478) were free reserves.

THE MELOW CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 its subsidiary and are satisfied that systems are in place to mitigate those risks.

The principal risks to which the charity is exposed are:

- ☐ Liabilities arising from property investment activity
- ☐ Tenant defaults
- ☐ Damage to the property from flood, fire or terrorist action
- ☐ The availability of liquid funds to make grants and donations
- ☐ The general economic cycle

The trustees seek 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. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for future periods

The charity plans continuing the activities outlined above in the coming years subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The trust was set up by way of a Deed of Trust on 9 February 1978.

The trust's principal office is at 21 Warwick Grove, London E5 9HX

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs M Spitz
Mr A Low
Mrs R Weiss

The statutory power of appointing new trustees or a new trustee shall be exercisable by the trustees during their joint lives and thereafter by the survivor of them.

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.

The Trustees of the charity hold on trust for the charity, the share capital of the subsidiary undertaking, Lota Estates Limited.

The company, registered in England, is engaged in property investment and its results are incorporated in the consolidated financial statements.

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

M. Spitz

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M Spitz
Trustee

Date:

THE MELOW CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

Opinion

We have audited the financial statements of The Melow Charitable Trust (the 'charity') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, parent charity statement of financial activities, consolidated statement of financial position, parent charity balance sheet, consolidated statement of cash flows 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 charity and its subsidiary's affairs as at 31 December 2024 and of its 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; and
- have been prepared in accordance with 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

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:

1) Enquiries of management concerning the charity's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

2) The company's remuneration policies, and

3) Discussions among the engagement team regarding how and when 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 framework 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 Companies Act and IFRS as issued by the IASB and adopted by the EU, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 avoid a material penalty.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, 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;
- 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 also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We note that our audit is not primarily designed to detect non-compliance with laws and regulations and the Trustees and other management are responsible for such internal control as the Trustees and other management of the Charity determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations. Additionally, 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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Philippe Herszaft ACA (Senior Statutory Auditor)

For and on behalf of Glazers, Statutory Auditor

Chartered Accountants

843 Finchley Road

London

NW11 8NA

Date:



Glazers is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MELOW CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
<u>Income from:</u>			
Donations and legacies	3	10,000	22,500
Investments	4	1,004,313	1,086,008
Total income		<u>1,014,313</u>	<u>1,108,508</u>
<u>Expenditure on:</u>			
Investment management	5	<u>136,846</u>	<u>135,124</u>
Charitable activities	7	<u>1,128,170</u>	<u>2,109,318</u>
Total expenditure		<u>1,265,016</u>	<u>2,244,442</u>
Net expenditure for the year/ Net movement in funds		(250,703)	(1,135,934)
Fund balances at 1 January 2024		<u>10,457,237</u>	<u>11,593,171</u>
Fund balances at 31 December 2024		<u><u>10,206,534</u></u>	<u><u>10,457,237</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

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

THE MELOW CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
<u>Income from:</u>			
Donations and legacies	3	1,010,000	2,012,500
Investments	4	27,500	55,000
Total income		<u>1,037,500</u>	<u>2,067,500</u>
<u>Expenditure on:</u>			
Investment management	5	<u>2,887</u>	<u>(894)</u>
Charitable activities	7	<u>1,124,041</u>	<u>2,104,152</u>
Total resources expended		<u>1,126,928</u>	<u>2,103,258</u>
Net gains on investments	13	161,275	(1,100,177)
Net expenditure for the year/ Net movement in funds		(250,703)	(1,135,934)
Fund balances at 1 January 2024		<u>10,457,237</u>	<u>11,593,171</u>
Fund balances at 31 December 2024		<u><u>10,206,534</u></u>	<u><u>10,457,237</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

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

THE MELOW CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14		179		199
Investment property	15		10,781,975		10,781,975
			<u>10,782,154</u>		<u>10,782,174</u>
Current assets					
Debtors	16	302,913		423,883	
Cash at bank and in hand		940,164		1,047,370	
		<u>1,243,077</u>		<u>1,471,253</u>	
Creditors: amounts falling due within one year	17	(161,276)		(138,769)	
Net current assets			<u>1,081,801</u>		<u>1,332,484</u>
Total assets less current liabilities			<u>11,863,955</u>		<u>12,114,658</u>
Provisions for liabilities			<u>(1,657,421)</u>		<u>(1,657,421)</u>
Net assets			<u><u>10,206,534</u></u>		<u><u>10,457,237</u></u>
Income funds					
Unrestricted funds			<u>10,206,534</u>		<u>10,457,237</u>
			<u><u>10,206,534</u></u>		<u><u>10,457,237</u></u>

The financial statements were approved by the Trustees on

M. Spitz
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M Spitz
Trustee

A. Low
.....
A Low
Trustee

THE MELOW CHARITABLE TRUST

BALANCE SHEET

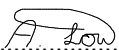
AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14		179		199
Investment properties	15		650,000		650,000
Investments			11,051,219		11,212,495
			<u>11,701,398</u>		<u>11,862,694</u>
Current assets					
Cash at bank and in hand		5,603		112,991	
Creditors: amounts falling due within one year	17	<u>(1,500,467)</u>		<u>(1,518,448)</u>	
Net current liabilities			<u>(1,494,864)</u>		<u>(1,405,457)</u>
Total assets less current liabilities			<u>10,206,534</u>		<u>10,457,237</u>
Income funds					
Unrestricted funds			10,206,534		10,457,237
			<u>10,206,534</u>		<u>10,457,237</u>

The financial statements were approved by the Trustees on



 M Spitz
 Chair of Trustees



 A Low
 Trustee

THE MELOW CHARITABLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	22		(1,111,519)		(304,662)
Investing activities					
Investment income received		1,004,313		1,086,008	
Net cash generated from investing activities			1,004,313		1,086,008
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(107,206)		781,346
Cash and cash equivalents at beginning of year			1,047,370		266,024
Cash and cash equivalents at end of year			940,164		1,047,370

THE MELOW CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(134,888)		42,077
Investing activities					
Investment income received		27,500		55,000	
Net cash generated from investing activities			27,500		55,000
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(107,388)		97,077
Cash and cash equivalents at beginning of year			112,991		15,914
Cash and cash equivalents at end of year			5,603		112,991

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Melow Charitable Trust is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 21 Warwick Road, London E5 9HX.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the net current liabilities in the parent charity, the financial statements have been prepared on a going concern basis given the continued support of the charity's main creditors, which are all related parties.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings (charity)	25% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The Charity is not liable to direct taxation (Income Tax) on its income which falls within the various exemptions available to registered charities. As a result, no Deferred Tax is provided on timing differences. The Charity is not registered for Value Added Tax (VAT) and is therefore unable to reclaim any input tax it suffers on its purchase. Expenditure in the accounts is therefore shown inclusive of VAT where appropriate

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period for the subsidiary.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Group financial statements

These financial statements consolidate the results of the charity and its subsidiary, Lota Estates Limited, on a line by line basis.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Group		
Donations and gifts	10,000	22,500
	<u> </u>	<u> </u>
Charity		
Donations and gifts	1,010,000	2,012,500
	<u> </u>	<u> </u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Group		
Rental income	1,004,313	1,039,019
Other investment income	-	(238)
Interest receivable	-	47,227
	<u> </u>	<u> </u>
	1,004,313	1,086,008
	<u> </u>	<u> </u>
Charity		
Rental income	27,500	55,000
	<u> </u>	<u> </u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Group		

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5	Raising funds		(Continued)
	<u>Investment management</u>	136,846	135,124
		<u>136,846</u>	<u>135,124</u>
	Charity		
	<u>Investment management</u>	2,887	(894)
		<u>2,887</u>	<u>(894)</u>
6	Net movement in funds	2024	2023
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	9,480	9,480
	Depreciation of owned tangible fixed assets	20	22
		<u>9,480</u>	<u>9,480</u>
7	Charitable activities		
		Charitable expenditure	Charitable expenditure
		2024	2023
	Group	£	£
	Depreciation and impairment	20	22
	Grant funding of activities (see note 9)	1,114,501	2,094,610
	Share of support costs (see note 10)	4,169	5,206
	Share of governance costs (see note 10)	9,480	9,480
		<u>1,128,170</u>	<u>2,109,318</u>
	Charity		
	Depreciation	20	22
	Grant funding of activities (see note 9)	1,114,501	2,094,610
	Share of support costs	40	40
	Share of governance costs (see note 10)	9,480	9,480
		<u>1,124,041</u>	<u>2,104,152</u>
8	Trustees		

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

9 Grants payable

	Charitable expenditure 2024 £	Charitable expenditure 2023 £
Grants to institutions:		
Achisomoch Aid	25,000	169,400
Amud Hatzdokoh Trust	15,500	35,800
Bait Limud Vchesed	35,450	-
Chasdei Aharon Limited	120,500	310,000
Chasdei Sholom Trust	68,000	75,000
Chevras Mo'ov Ladol	45,600	-
College for Higher Rabbinical Studies	48,800	78,000
Congregation Sharei Shalom Tchabe Limited	-	40,000
Daas Sholem Shotz	-	37,700
Fundd	45,600	-
Inspirations	-	90,700
Keren Chochmas Shloma Trust	40,000	-
Kollel Veyoul Moshe	30,000	-
Lechem Shlomo	63,000	-
Mifal Hachesed Vehatzedokoh	32,000	-
Mifal Tzedokoh Vechesed	65,000	30,000
Nercaz Torah Vechesed	-	50,000
Revach Vehazola Trust	38,000	-
Shir Chesed Beis Yisroel	50,000	-
Start Upright	98,800	127,000
Tchabe Kollel Limited	63,500	255,500
Tevini	-	85,000
The Rehabilitation Trust	-	30,000
Toldos Aharon Trust	-	45,000
United Talmudical Associates	4,600	210,000
Yad Vochedsed Association Limited	-	30,000
Zoreya Tzedokos	-	50,000
Other under £30,000	225,151	345,510
	<u>1,114,501</u>	<u>2,094,610</u>

All grants paid were for the alleviation of poverty, education and furtherance of the Jewish religion and general charitable purposes.

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THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Support costs	4,169	-	4,169	5,206	-	5,206
Audit fees	-	9,480	9,480	-	9,480	9,480
	<u>4,169</u>	<u>9,480</u>	<u>13,649</u>	<u>5,206</u>	<u>9,480</u>	<u>14,686</u>
Analysed between Charitable activities	<u>4,169</u>	<u>9,480</u>	<u>13,649</u>	<u>5,206</u>	<u>9,480</u>	<u>14,686</u>

Governance costs includes payments to the auditors of £9,480 (2023- £8,580) for audit fees.

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	<u>-</u>	<u>-</u>

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

13 Net gains/(losses) on investments

	Total	Total
Charity	2024 £	2023 £
Gain/(loss) on investment in group undertakings	<u>(161,275)</u>	<u>(1,100,177)</u>
	<u>(161,275)</u>	<u>(1,100,177)</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Tangible fixed assets

	Group £	Charity £
Fixtures and fittings		
Cost		
At 1 January 2024	10,362	10,362
At 31 December 2024	10,362	10,362
Depreciation and impairment		
At 1 January 2024	10,163	10,163
Depreciation charged in the year	20	20
At 31 December 2024	10,183	10,183
Carrying amount		
At 31 December 2024	179	179
At 31 December 2023	199	199

15 Investment property

Group	2024 £
Fair value	
At 1 January 2024 and 31 December 2024	10,781,975
Charity	
At 1 January 2023 and 31 December 2023	650,000

The group's investment properties comprise residential and commercial portfolios. The fair value of the investment properties has been arrived at on the basis of valuation carried out at 31st December 2024 by the trustees who are considered to have the experience and expertise required to undertake such an exercise. The valuation is made on an open market value basis by reference to market evidence of transaction prices for similar properties in the same location taking account their age and condition.

The historical cost of the investment properties was £2,778,973.

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Group		
Trade debtors	291,600	413,487
Prepayments and accrued income	11,313	10,396
	302,913	423,883

Charity

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

16 Debtors (Continued)

Trade debtors	-	-
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17 Creditors: amounts falling due within one year

Group	2024 £	2023 £
Other creditors	69,715	70,715
Accruals and deferred income	91,561	68,054
	<u>161,276</u>	<u>138,769</u>
Charity		
Amounts owed to subsidiary undertakings	1,485,818	1,503,799
Other creditors	7,249	7,249
Accruals and deferred income	7,400	7,400
	<u>1,500,467</u>	<u>1,518,448</u>

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024 £	Incoming resources £	Resources expended £	At 31 December 2024 £
General funds	<u>10,457,237</u>	<u>1,014,313</u>	<u>(1,265,016)</u>	<u>10,206,534</u>
Previous year:	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
General funds	<u>11,593,171</u>	<u>1,108,508</u>	<u>(2,244,442)</u>	<u>10,457,237</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Provisions for liabilities	Notes	2024 £	2023 £
Deferred tax liabilities	19	1,657,421	1,657,421
		<u>1,657,421</u>	<u>1,657,421</u>

20 Related party transactions

Group

During the year, the Charity Group received donations of £10,000 (2023 £22,500) from ALRW Investments Limited, a company with close family connections to a director.

Trade creditors includes the sum of £18,607 (2023 £13,677) due to Amingham Limited, a company with a common director

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Charity

During the year, the Charity received all its donations (£1,010,000) from related parties, £1,000,000, from its subsidiary Lota Estates Limited and £10,000 from ALRW Investments Limited.

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21 Analysis of changes in net funds

The charity had no material debt during the year.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

22	Cash generated from operations	2024 £	2023 £
	Surplus/ (deficit) for the year	(250,703)	(1,135,934)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,004,313)	(1,086,008)
	Net gain on investments		280
	Depreciation and impairment of tangible fixed assets	20	22
	Movements in working capital:		
	Decrease in debtors	120,970	2,328,707
	Increase/(decrease) in creditors	22,507	(411,728)
	Cash absorbed by operations	<u>(1,111,519)</u>	<u>(304,661)</u>

THE MELOW CHARITABLE TRUST

England & Wales - Charity number 275454

Accounts

THE MELOW CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE MELOW CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Spitz A Low R Weiss
Charity number	275454
Auditor	Glazers 843 Finchley Road London NW11 8NA

THE MELOW CHARITABLE TRUST

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THE MELOW CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of the trust are for general charitable purposes and in particular for the relief of poverty and the advancement of religion and religious education.

The trustees confirm that they have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting the grant making policies for the year.

This charity was established for general charitable purposes and in particular for the relief of poverty and the advancement of the Jewish religion, especially in the field of education. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objects of the charity and in doing so the charity has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2011.

Under the Trust Deed, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objects. The trustees regularly review the charity's position and needs in respect of the investment policy.

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

Grants are made to charitable institutions and organisations which conform to the objects of the charity after the trustees have satisfied themselves as to the bona fides of the recipients.

Applications for grants are made in writing to the charity or in person to the Trustees by voluntary and community organisations. All donations above £3,000 require approval of all the Trustees and after making the necessary checks, proportional to the level of funding involved, donations are provided

Achievements and performance

During the period under review £2,094,610 (2022: £877,404) was distributed in furtherance of the charity's objectives. The analysis of grants can be found in note 7 to the financial statements.

Financial review

The charity is dependent for its income on the commercial activities of its subsidiary and voluntary donations from companies connected with the trustees. The parent charity also receives a small amount of rental income from its sole investment property. The subsidiary undertaking, Lota Estates Limited, has a portfolio of investment properties and the group's performance can be seen in the financial statements set out below.

The parent charity's investment property produced income of £55,000, with the subsidiary having £984,019 of rental income. The charity also received donation income amounting to £22,500. The subsidiary has an interest chargeable loan due from a related company. The interest is charged at 7% and the interest receivable in the year totalled £47,227.

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.

At the year end, £ 10,457,237 (2022: £11,593,171) was held as unrestricted funds, of which £1,332,484 (2022: £2,070,378) were free reserves.

THE MELOW CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 its subsidiary and are satisfied that systems are in place to mitigate those risks.

The principal risks to which the charity is exposed are:

- ☐ Liabilities arising from property investment activity
- ☐ Tenant defaults
- ☐ Damage to the property from flood, fire or terrorist action
- ☐ The availability of liquid funds to make grants and donations
- ☐ The general economic cycle

The trustees seek 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. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for future periods

The charity plans continuing the activities outlined above in the coming years subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The trust was set up by way of a Deed of Trust on 9 February 1978.

The trust's principal office is at 21 Warwick Grove, London E5 9HX

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs E Weiser (resigned 23 12 2022)

Mrs M Spitz

Mr A Low (appointed 23 12 2022)

Mrs R Weiss (appointed 23 12 2022)

The statutory power of appointing new trustees or a new trustee shall be exercisable by the trustees during their joint lives and thereafter by the survivor of them.

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.

The Trustees of the charity hold on trust for the charity, the share capital of the subsidiary undertaking, Lota Estates Limited.

The company, registered in England, is engaged in property investment and its results are incorporated in the consolidated financial statements.

Details of the subsidiary undertaking may be found in the note o/s to the financial statements.

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



.....
M Spitz

Trustee

Date:

THE MELOW CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

Opinion

We have audited the financial statements of The Melow Charitable Trust (the 'charity') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, parent charity statement of financial activities, consolidated statement of financial position, parent charity balance sheet, consolidated statement of cash flows 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 charity and its subsidiary's affairs as at 31 December 2023 and of its 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; and
- 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

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:

1) Enquiries of management concerning the charity's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

2) The company's remuneration policies, and

3) Discussions among the engagement team regarding how and when 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 framework 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 Companies Act and IFRS as issued by the IASB and adopted by the EU, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 avoid a material penalty.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, 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;
- 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 also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We note that our audit is not primarily designed to detect non-compliance with laws and regulations and the Trustees and other management are responsible for such internal control as the Trustees and other management of the Charity determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations. Additionally, 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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Philippe Herszaft ACA (Senior Statutory Auditor)
for and on behalf of Glazers

.....

Chartered Accountants
Statutory Auditor

843 Finchley Road
London
NW11 8NA

Glazers is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MELOW CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
<u>Income from:</u>			
Donations and legacies	3	22,500	176,800
Investments	4	1,086,008	1,216,172
Total income		<u>1,108,508</u>	<u>1,392,972</u>
<u>Expenditure on:</u>			
Investment management	5	<u>135,124</u>	<u>114,786</u>
Charitable activities	6	<u>2,109,318</u>	<u>894,830</u>
Total expenditure		<u>2,244,442</u>	<u>1,009,616</u>
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(1,135,934)	383,356
Other recognised gains and losses			
Taxation	14	<u>-</u>	<u>(397,782)</u>
Net movement in funds		(1,135,934)	(14,426)
Fund balances at 1 January 2023		<u>11,593,171</u>	<u>11,607,597</u>
Fund balances at 31 December 2023		<u><u>10,457,237</u></u>	<u><u>11,593,171</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

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

THE MELOW CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
<u>Income from:</u>			
Donations and legacies	3	2,012,500	726,800
Investments	4	55,000	55,000
Total income		<u>2,067,500</u>	<u>781,800</u>
<u>Expenditure on:</u>			
Investment management	5	(894)	(827)
Charitable activities	6	2,104,152	886,909
Total resources expended		<u>2,103,258</u>	<u>886,082</u>
Net gains on investments	13	(1,100,177)	89,856
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(1,135,935)	(14,426)
Other recognised gains and losses	-	-	-
Net movement in funds		<u>(1,135,934)</u>	<u>(14,426)</u>
Fund balances at 1 January 2023		11,593,171	11,607,597
Fund balances at 31 December 2023		<u><u>10,457,237</u></u>	<u><u>11,593,171</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

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

THE MELOW CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET

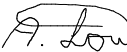
AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		199		221
Investment property	16		10,781,975		10,781,972
Investments	17		-		282
			<u>10,782,174</u>		<u>10,782,475</u>
Current assets					
Debtors	18	423,883		2,752,590	
Cash at bank and in hand		1,047,370		266,024	
		<u>1,471,253</u>		<u>3,018,614</u>	
Creditors: amounts falling due within one year	19	(138,769)		(550,497)	
Net current assets			<u>1,332,484</u>		<u>2,468,117</u>
Total assets less current liabilities			<u>12,114,658</u>		<u>13,250,592</u>
Provisions for liabilities			<u>(1,657,421)</u>		<u>(1,657,421)</u>
Net assets			<u><u>10,457,237</u></u>		<u><u>11,593,171</u></u>
Income funds					
Unrestricted funds			<u>10,457,237</u>		<u>11,593,171</u>
			<u><u>10,457,237</u></u>		<u><u>11,593,171</u></u>

The financial statements were approved by the Trustees on


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M Spitz
Trustee


.....

A Low
Trustee

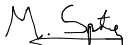
THE MELOW CHARITABLE TRUST

BALANCE SHEET

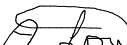
AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		199		221
Investment properties	16		650,000		650,000
Investments	17		11,212,495		12,312,671
			<u>11,862,694</u>		<u>12,962,892</u>
Current assets					
Debtors	18		-		86,710
Cash at bank and in hand			112,991		15,914
			<u>112,991</u>		<u>102,624</u>
Creditors: amounts falling due within one year	19		(1,518,448)		(1,472,345)
Net current liabilities			<u>(1,405,457)</u>		<u>(1,369,721)</u>
Total assets less current liabilities			<u>10,457,237</u>		<u>11,593,171</u>
Income funds					
Unrestricted funds			10,457,237		11,593,171
			<u>10,457,237</u>		<u>11,593,171</u>

The financial statements were approved by the Trustees on


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M Spitz
Chair of Trustees


.....

A Low
Trustee

THE MELOW CHARITABLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(304,662)		(1,378,054)
Investing activities					
Investment income received		1,086,008		1,216,172	
Net cash generated from investing activities			1,086,008		1,216,172
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			781,346		(161,882)
Cash and cash equivalents at beginning of year			266,024		427,906
Cash and cash equivalents at end of year			1,047,370		266,024

THE MELOW CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		42,077		(207,768)
Investing activities					
Investment income received		55,000		55,000	
Net cash generated from investing activities			55,000		55,000
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			97,077		(152,768)
Cash and cash equivalents at beginning of year			15,914		168,682
Cash and cash equivalents at end of year			112,991		15,914

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Melow Charitable Trust is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 21 Warwick Road, London E5 9HX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the net current liabilities in the parent charity, the financial statements have been prepared on a going concern basis given the continued support of the charity's main creditors, which are all related parties.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings (charity)	25% reducing balance
---------------------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The Charity is not liable to direct taxation (Income Tax) on its income which falls within the various exemptions available to registered charities. As a result, no Deferred Tax is provided on timing differences. The Charity is not registered for Value Added Tax (VAT) and is therefore unable to reclaim any input tax it suffers on its purchase. Expenditure in the accounts is therefore shown inclusive of VAT where appropriate

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period for the subsidiary.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Group financial statements

These financial statements consolidate the results of the charity and its subsidiary, Lota Estates Limited, on a line by line basis.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Group		
Donations and gifts	22,500	176,800
	<u> </u>	<u> </u>
Charity		
Donations and gifts	2,012,500	726,800
	<u> </u>	<u> </u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Group		
Rental income	1,039,019	1,171,957
Other investment income	(238)	77
Interest receivable	47,227	44,138
	<u>1,086,008</u>	<u>1,216,172</u>
Charity		
Rental income	<u>55,000</u>	<u>55,000</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Group		
<u>Investment management</u>	<u>135,124</u>	<u>114,786</u>
	<u>135,124</u>	<u>114,786</u>
Charity		
<u>Investment management</u>	<u>(894)</u>	<u>(829)</u>
	<u>(894)</u>	<u>(829)</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Charitable activities

Group	Charitable expenditure 2023 £	Charitable expenditure 2022 £
Depreciation and impairment	22	25
Grant funding of activities (see note 8)	2,094,610	877,404
Share of support costs (see note 10)	5,206	7,921
Share of governance costs (see note 10)	9,480	9,480
	<u>2,109,318</u>	<u>894,830</u>
Charity		
Depreciation	22	25
Grant funding of activities (see note 8)	2,094,610	877,404
Share of support costs	40	-
Share of governance costs (see note 10)	9,480	9,480
	<u>2,104,152</u>	<u>886,909</u>

7 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,480	9,480
Depreciation of owned tangible fixed assets	22	25
	<u></u>	<u></u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Grants payable

	Charitable expenditure 2023 £	Charitable expenditure 2022 £
Grants to institutions:		
Achisomoch Aid	169,400	-
Amud Hatzdokoh Trust	35,800	11,425
Chasdei Aharon Limited	310,000	50,400
Chasdei Sholom Trust	75,000	70,000
College for Higher Rabbinical Studies	78,000	65,000
Congregation Sharei Shalom Tchabe imited	40,000	35,900
Daas Sholem Shotz	37,700	-
Inspirations	90,700	-
Keren Chochmas Shloma Trust	-	30,150
Mifal Tzedokoh Vechedes	30,000	-
Nercaz Torah Vechedes	50,000	-
Noam Halvovos	-	50,000
One Heart - Lev Echod	-	40,000
Shaykel Esuh	-	75,180
Start Upright	127,000	87,430
Tchabe Kollel Limited	255,500	29,000
Tevini	85,000	50,000
The Rehabilitation Trust	30,000	-
Toldos Aharon Trust	45,000	-
United Talmudical Associates	210,000	-
Yad Vochedes Association Limited	30,000	40,000
Zoreya Tzedokos	50,000	-
Other under £30,000	345,510	242,919
	<u>2,094,610</u>	<u>877,404</u>

All grants paid were for the alleviation of poverty, education and furtherance of the Jewish religion and general charitable purposes.

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9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Support costs	5,206	-	5,206	7,921	-	7,921
Audit fees	-	9,480	9,480	-	9,480	9,480
	<u>5,206</u>	<u>9,480</u>	<u>14,686</u>	<u>7,921</u>	<u>9,480</u>	<u>17,401</u>
Analysed between Charitable activities	<u>5,206</u>	<u>9,480</u>	<u>14,686</u>	<u>7,921</u>	<u>9,480</u>	<u>17,401</u>

Governance costs includes payments to the auditors of £9,480 (2022- £8,580) for audit fees.

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	<u>-</u>	<u>-</u>

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

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Net gains/(losses) on investments

	Total	Total
Charity	2023 £	2022 £
Gain/(loss) on investment in group undertakings	<u>(1,100,177)</u>	<u>89,856</u>
	<u>(1,100,177)</u>	<u>89,856</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Other gains and losses

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) upon:		
Foreign exchange	-	397,782

15 Tangible fixed assets

	Group £	Charity £
Fixtures and fittings		
Cost		
At 1 January 2023	10,362	10,362
At 31 December 2023	10,362	10,362
Depreciation and impairment		
At 1 January 2023	10,141	10,141
Depreciation charged in the year	22	22
At 31 December 2023	10,163	10,163
Carrying amount		
At 31 December 2023	199	199
At 31 December 2022	221	221

16 Investment property Group

	2023 £
Fair value	
At 1 January 2023 and 31 December 2023	10,781,975
Charity	
At 1 January 2023 and 31 December 2023	650,000

The group's investment properties comprise residential and commercial portfolios. The fair value of the investment properties has been arrived at on the basis of valuation carried out at 31st December 2023 by the trustees who are considered to have the experience and expertise required to undertake such an exercise. The valuation is made on an open market value basis by reference to market evidence of transaction prices for similar properties in the same location taking account their age and condition.

The historical cost of the investment properties was £2,778,973.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Fixed asset investments

Group	Other investments £	Subsidiary companies	Total £
Cost or valuation			
At 1 January 2023	279		279
Valuation changes	(279)		(279)
At 31 December 2023	-	-	-
Carrying amount			
At 31 December 2023	-	-	-
At 31 December 2022	279		279
Charity		£	£
At 1 January 2023		12,312,671	12,312,671
Additions			
Valuation changes		(1,100,176)	(1,100,176)
At 31 December 2023		11,212,495	11,212,495

18 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Group		
Trade debtors	413,487	2,042,220
Other debtors	-	707,770
Prepayments and accrued income	10,396	2,600
	423,883	2,752,590
Charity		
Trade debtors	-	86,710

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

19 Creditors: amounts falling due within one year

Group		2023 £	2022 £
Trade creditors		-	119,599
Other creditors		70,715	418,498
Accruals and deferred income		68,054	12,400
		<u>138,769</u>	<u>550,497</u>
Charity			
Amounts owed to subsidiary undertakings		1,503,799	1,046,447
Other creditors		7,249	418,498
Accruals and deferred income		7,400	7,400
		<u>1,518,448</u>	<u>1,472,345</u>
Provisions for liabilities		2023	2022
	Notes	£	£
Deferred tax liabilities	20	1,657,421	1,657,421
		<u>1,657,421</u>	<u>1,657,421</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	11,593,171	1,108,508	(2,244,442)	-	10,457,237
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
General funds	11,607,597	1,392,972	(1,009,616)	(397,782)	11,593,171
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

22 Related party transactions

Group

During the year, the Charity Group received all its donations from related parties as follows; £nil (2022 £150,000) from JLW Properties Limited, £nil (2022 £25,000) from ALRW Investments Limited and £nil (2022 £1,800) from Venosni Charitable Trust, all of which entities have close family connections with a director or have a common trustee. In addition, management fees of £nil (2022 £10,000) were paid to Amingham Limited for the management of the group's property portfolio. Amingham Limited, is a company where one of the directors is also a director in the subsidiary undertaking.

Trade creditors includes £13,677 (2022 debtor: £1,438,872) due to/ (from) Amingham Limited.

Other debtors include amounts due from the following companies who have directors who are also

Trustees or close family of the Trustees of the Charity Group: Easton Fabrics Limited £nil (2022:

£5,085), ALRW Investments Limited £nil (2022: £28,007). These loans were interest free and repayable on demand.

Also included in other debtors is £nil (2022: £674,678) due from Marvel Investments Limited.

Marvel Investments Limited has directors who are close family with the Trustees of the Charity Group.

This loan bore interest at 7% per annum.

Other creditors include amounts due to the following companies whose directors are close family of the Trustees of the Charity Group: Freeserve Limited £nil (2022 £200,000), Wennington Properties Limited £nil (2022: £211,249). These loans were interest free and repayable on demand.

Charity

During the year, the Charity received all its donations (£2,012,500) from related parties, £1,990,000, from its subsidiary Lota Estates Limited and £22,500 from ALRW Investments..

Other creditors include amounts due to the following companies whose directors are close family of the Trustees of the Charity: Freeserve Limited £nil (2022 £200,000), Wennington Properties Limited £nil (2022: £211,249). All loans were interest free and repayable on demand.

23 Analysis of changes in net funds

The charity had no material debt during the year.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

24	Cash generated from operations	2023 £	2022 £
	Surplus/ (deficit) for the year	(1,135,934)	383,356
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,086,008)	(1,216,172)
	Net gain on investments	280	(68)
	Depreciation and impairment of tangible fixed assets	22	25
	Movements in working capital:		
	Decrease/(increase) in debtors	2,328,707	(586,704)
	(Decrease)/increase in creditors	(411,728)	41,509
	Cash absorbed by operations	<u>(304,661)</u>	<u>(1,378,054)</u>

Accounts

THE MELOW CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE MELOW CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Spitz	
	A Low	(Appointed 23 December 2022)
	R Weiss	(Appointed 23 December 2022)
Charity number	275454	
Auditor	Glazers 843 Finchley Road London NW11 8NA	

THE MELOW CHARITABLE TRUST

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THE MELOW CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of the trust are for general charitable purposes and in particular for the relief of poverty and the advancement of religion and religious education.

The trustees confirm that they have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting the grant making policies for the year.

This charity was established for general charitable purposes and in particular for the relief of poverty and the advancement of the Jewish religion, especially in the field of education. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objects of the charity and in doing so the charity has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2011.

Under the Trust Deed, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objects.

The trustees regularly review the charity's position and needs in respect of the investment policy.

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

Grants are made to charitable institutions and organisations which conform to the objects of the charity after the trustees have satisfied themselves as to the bona fides of the recipients. Applications for grants are made in writing to the charity or in person to the Trustees by voluntary and community organisations. All donations above £3,000 require approval of all the Trustees and after making the necessary checks, proportional to the level of funding involved, donations are provided.

Achievements and performance

During the period under review £877,404 (2021: £1,618,515) was distributed in furtherance of the charity's objectives. The analysis of grants can be found in note 7 to the financial statements.

Financial review

The charity is dependent for its income on the commercial activities of its subsidiary and voluntary donations from companies connected with the trustees. The parent charity also receives a small amount of rental income from its sole investment property. The subsidiary undertaking, Lota Estates Limited, has a portfolio of investment properties and the group's performance can be seen in the financial statements set out below.

The parent charity's investment property produced income of £55,000, with the subsidiary having £1,116,597 of rental income. The charity also received donation income amounting to £176,800. The subsidiary has an interest chargeable loan due from a related company. The interest is charged at 7% and the interest receivable in the year totalled £44,138.

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. At the year end, £ 11,593,171 (2021: £11,607,597) was held as unrestricted funds, of which £2,070,378 (2021: £2,084,804) were free reserves.

THE MELOW CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 its subsidiary and are satisfied that systems are in place to mitigate those risks.

The principal risks to which the charity is exposed are:

- ☐ Liabilities arising from property investment activity
- ☐ Tenant defaults
- ☐ Damage to the property from flood, fire or terrorist action
- ☐ The availability of liquid funds to make grants and donations
- ☐ The general economic cycle

The trustees seek 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. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for future periods

The charity plans continuing the activities outlined above in the coming years subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The trust was set up by way of a Deed of Trust on 9 February 1978.

The trust's principal office is at 21 Warwick Grove, London E5 9HX

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs E Weiser (resigned 23 12 2022)

Mrs M Spitz

Mr A Low (appointed 23 12 2022)

Mrs R Weiss (appointed 23 12 2022)

The statutory power of appointing new trustees or a new trustee shall be exercisable by the trustees during their joint lives and thereafter by the survivor of them. 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.

The Trustees of the charity hold on trust for the charity, the share capital of the subsidiary undertaking, Lota Estates Limited. The company, registered in England, is engaged in property investment and its results are incorporated in the consolidated financial statements. Details of the subsidiary undertaking may be found in the note o/s to the financial statements.

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

.....
M Spitz

Trustee

Date:

THE MELOW CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

Opinion

We have audited the financial statements of The Melow Charitable Trust (the 'charity') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, parent charity statement of financial activities, consolidated statement of financial position, parent charity balance sheet, consolidated statement of cash flows 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 charity and its subsidiary's affairs as at 31 December 2022 and of its 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; and
- 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

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:

1) Enquiries of management concerning the charity's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

2) The company's remuneration policies, and

3) Discussions among the engagement team regarding how and when 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 framework 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 Companies Act and IFRS as issued by the IASB and adopted by the EU, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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 avoid a material penalty.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

In addition to the above, 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;
- 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 also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We note that our audit is not primarily designed to detect non-compliance with laws and regulations and the Trustees and other management are responsible for such internal control as the Trustees and other management of the Charity determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations. Additionally, 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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

THE MELOW CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MELOW CHARITABLE TRUST

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Philippe Herszaft ACA (Senior Statutory Auditor)
for and on behalf of Glazers

.....

Chartered Accountants
Statutory Auditor

843 Finchley Road
London
NW11 8NA

Glazers is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MELOW CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<u>Income from:</u>			
Donations and legacies	3	176,800	40,000
Investments	4	1,216,172	1,013,809
Total income		<u>1,392,972</u>	<u>1,053,809</u>
<u>Expenditure on:</u>			
Investment management	5	<u>114,786</u>	<u>94,587</u>
Charitable activities	6	<u>894,830</u>	<u>1,639,782</u>
Total expenditure		<u>1,009,616</u>	<u>1,734,369</u>
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		383,356	(680,560)
Other recognised gains and losses			
Taxation	13	<u>(397,782)</u>	<u>-</u>
Net movement in funds		(14,426)	(680,560)
Fund balances at 1 January 2022		<u>11,607,597</u>	<u>12,288,157</u>
Fund balances at 31 December 2022		<u><u>11,593,171</u></u>	<u><u>11,607,597</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE MELOW CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<u>Income from:</u>			
Donations and legacies	3	726,800	940,000
Investments	4	55,000	57,810
Total income		<u>781,800</u>	<u>997,810</u>
<u>Expenditure on:</u>			
Investment management	5	(829)	7,003
Charitable activities	6	886,909	1,627,177
Total resources expended		<u>886,080</u>	<u>1,634,180</u>
Net gains on investments	11	89,856	44,190
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		(14,424)	(680,560)
Other recognised gains and losses			
Net movement in funds		<u>(14,426)</u>	<u>(680,560)</u>
Fund balances at 1 January 2022		11,607,597	12,288,157
Fund balances at 31 December 2022		<u><u>11,593,171</u></u>	<u><u>11,607,597</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE MELOW CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		221		246
Investment property	15		10,781,972		10,781,972
Investments	16		282		214
			<u>10,782,475</u>		<u>10,782,432</u>
Current assets					
Debtors	17	2,752,590		2,165,886	
Cash at bank and in hand		266,024		427,906	
		<u>3,018,614</u>		<u>2,593,792</u>	
Creditors: amounts falling due within one year	18	(550,497)		(508,988)	
Net current assets			<u>2,468,117</u>		<u>2,084,804</u>
Total assets less current liabilities			<u>13,250,592</u>		<u>12,867,236</u>
Provisions for liabilities			<u>(1,657,421)</u>		<u>(1,259,639)</u>
Net assets			<u><u>11,593,171</u></u>		<u><u>11,607,597</u></u>
Income funds					
Unrestricted funds			<u>11,593,171</u>		<u>11,607,597</u>
			<u><u>11,593,171</u></u>		<u><u>11,607,597</u></u>

The financial statements were approved by the Trustees on

.....
M Spitz
Trustee

.....
A Low
Trustee

THE MELOW CHARITABLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		221		246
Investment properties	15		650,000		650,000
Investments	16		12,312,671		12,222,815
			<u>12,962,892</u>		<u>12,873,061</u>
Current assets					
Debtors	17	86,710		38,199	
Cash at bank and in hand		15,914		168,682	
		<u>102,624</u>		<u>206,881</u>	
Creditors: amounts falling due within one year	18	(1,472,345)		(1,472,345)	
Net current liabilities			<u>(1,369,721)</u>		<u>(1,265,464)</u>
Total assets less current liabilities			<u>11,593,171</u>		<u>11,607,597</u>
Income funds					
Unrestricted funds			11,593,171		11,607,597
			<u>11,593,171</u>		<u>11,607,597</u>

The financial statements were approved by the Trustees on

.....
M Spitz
Chair of Trustees

.....
A Low
Trustee

THE MELOW CHARITABLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(1,378,054)		(812,662)
Investing activities					
Investment income received		1,216,172		969,671	
Net cash generated from investing activities			1,216,172		969,671
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(161,882)		157,009
Cash and cash equivalents at beginning of year			427,906		270,897
Cash and cash equivalents at end of year			266,024		427,906

THE MELOW CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(207,768)		61,758
Investing activities					
Investment income received		55,000		57,810	
Net cash generated from investing activities			55,000		57,810
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(152,768)		119,568
Cash and cash equivalents at beginning of year			168,682		49,114
Cash and cash equivalents at end of year			15,914		168,682

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Melow Charitable Trust is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 21 Warwick Road, London E5 9HX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the net current liabilities in the parent charity, the financial statements have been prepared on a going concern basis given the continued support of the charity's main creditors, which are all related parties.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings (charity)	25% reducing balance
---------------------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

[Property rented to a group entity is accounted for as tangible fixed assets.]

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The Charity is not liable to direct taxation (Income Tax) on its income which falls within the various exemptions available to registered charities. As a result, no Deferred Tax is provided on timing differences. The Charity is not registered for Value Added Tax (VAT) and is therefore unable to reclaim any input tax it suffers on its purchase. Expenditure in the accounts is therefore shown inclusive of VAT where appropriate.

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period for the subsidiary.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Group financial statements

These financial statements consolidate the results of the charity and its subsidiary, Lota Estates Limited, on a line by line basis.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Group		
Donations and gifts	176,800	40,000
	<u> </u>	<u> </u>
Charity		
Donations and gifts	726,800	940,000
	<u> </u>	<u> </u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Group		
Rental income	1,171,957	969,590
Other investment income	77	81
Interest receivable	44,138	44,138
	<u>1,216,172</u>	<u>1,013,809</u>
Charity		
Rental income	<u>55,000</u>	<u>57,810</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
		£
Group		
<u>Investment management</u>	<u>114,786</u>	<u>94,587</u>
	<u>114,786</u>	<u>94,587</u>
Charity		
<u>Investment management</u>	<u>(829)</u>	<u>7,003</u>
	<u>(829)</u>	<u>7,003</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	Charitable expenditure 2022 £	Charitable expenditure 2021 £
Group		
Depreciation and impairment	25	4,796
Grant funding of activities (see note 7)	877,404	1,618,515
Share of support costs (see note 8)	7,921	7,891
Share of governance costs (see note 8)	9,480	8,580
	<u>894,830</u>	<u>1,639,782</u>
Charity		
Depreciation	25	82
Grant funding of activities (see note 7)	877,404	1,618,515
Share of governance costs (see note 8)	9,480	8,580
	<u>886,909</u>	<u>1,627,177</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Grants payable

	Charitable expenditure 2022 £	Charitable expenditure 2021 £
Grants to institutions:		
Amud Hatzdokoh Trust	11,425	200,660
Ben Amram Charitable Trust	-	44,000
Chasdei Aharon Limited	50,400	201,400
Chasdei Sholom Trust	70,000	58,000
Choimel Dalim	-	30,000
College for Higher Rabbinical Studies	65,000	60,000
Congregation Sharei Shalom Tchabe imited	35,900	90,000
Congregation Supporters of Torah	-	200,000
Friends of Beis Shoroh Schneirer	-	100,000
Friends of Mercaz Hatorah Belz Macnivka	-	60,000
Keren Chochmas Shloma Trust	30,150	-
Mifal Hachessed Vehatzedokoh	-	100,000
Noam Halvovos	50,000	-
Notzar Chesed	5,000	30,000
One Heart - Lev Echod	40,000	-
Shaykel Esuh	75,180	
Start Upright	87,430	83,000
Tchabe Kollel Limited	29,000	200,000
Tevini	50,000	
The Rehabilitation Trust		50,000
Yad Vochedsed Association Limited	40,000	
Other under £30,000	208,919	61,455
	<u>877,404</u>	<u>1,618,515</u>

All grants paid were for the alleviation of poverty, education and furtherance of the Jewish religion and general charitable purposes.

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THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Support costs	7,921	-	7,921	7,891	-	7,891
Audit fees	-	9,480	9,480	-	8,580	8,580
	<u>7,921</u>	<u>9,480</u>	<u>17,401</u>	<u>7,891</u>	<u>8,580</u>	<u>16,471</u>
Analysed between Charitable activities	<u>7,921</u>	<u>9,480</u>	<u>17,401</u>	<u>7,891</u>	<u>8,580</u>	<u>16,471</u>

Governance costs includes payments to the auditors of £9,480 (2021- £8,580) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	<u>-</u>	<u>-</u>

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

11 Net gains/(losses) on investments

	Total	Total
Charity	2022 £	2021 £
Gain/(loss) on investment in group undertakings	89,856	(44,190)
	<u>89,856</u>	<u>(44,190)</u>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Other gains or losses

Unrestricted funds	Total
2022 £	2021 £
Foreign exchange gains	-

14 Tangible fixed assets

	Group £	Charity £
Fixtures and fittings		
Cost		
At 1 January 2022	144,535	10,362
At 31 December 2022	144,535	10,362
Depreciation and impairment		
At 1 January 2022	144,289	10,116
Depreciation charged in the year	25	25
At 31 December 2022	144,314	10,141
Carrying amount		
At 31 December 2022	221	221
At 31 December 2021	246	246

15 Investment property

Group	2022 £
Fair value	
At 1 January 2022 and 31 December 2022	10,781,972
Charity	
At 1 January 2022 and 31 December 2022	650,000

The group's investment properties comprise residential and commercial portfolios. The fair value of the investment properties has been arrived at on the basis of valuation carried out at 31st December 2022 by the trustees who are considered to have the experience and expertise required to undertake such an exercise. The valuation is made on an open market value basis by reference to market evidence of transaction prices for similar properties in the same location taking account their age and condition.

The historical cost of the investment properties was £2,778,973.

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Fixed asset investments

Group	Other investments £	Subsidiary companies	Total £
Cost or valuation			
At 1 January 2022	214		214
Valuation changes	68		68
At 31 December 2022	282	-	282
Carrying amount			
At 31 December 2022	282	-	282
At 31 December 2021	214		214
Charity		£	£
At 1 January 2022		12,222,815	12,222,815
Additions			
Valuation changes		89,856	89,856
At 31 December 2022		12,312,671	12,312,671

The Trustees of the charity hold on trust for the charity, the full share capital and net assets of the 'subsidiary undertaking', Lota Estates Limited (Company Number 01075993). The company is registered in England and has a coterminous year end with the parent charity.

17 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Group		
Trade debtors	2,042,220	1,502,254
Other debtors	707,770	663,632
Prepayments and accrued income	2,600	-
	2,752,590	2,165,886
Charity		
Trade debtors	86,710	38,199

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Creditors: amounts falling due within one year

Group		2022 £	2021 £
Corporation tax payable		-	6,161
Trade creditors		119,599	71,649
Other creditors		418,498	418,498
Accruals and deferred income		12,400	12,680
		<u>550,497</u>	<u>508,988</u>
Charity			
Amounts owed to subsidiary undertakings		1,046,447	1,046,447
Other creditors		418,498	418,498
Accruals and deferred income		7,400	7,400
		<u>1,472,345</u>	<u>1,472,345</u>
Provisions for liabilities		2022	2021
	Notes	£	£
Deferred tax liabilities	19	1,657,421	1,259,639
		<u>1,657,421</u>	<u>1,259,639</u>

THE MELOW CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Related party transactions

Group

During the year, the Charity Group received all its donations from related parties as follows; £150,000 (2021 £40,000) from JLW Properties Limited, £25,000 (2021 £nil) from ALRW Investments Limited and £1,800 from Venosni Charitable Trust, all of which entities have close family connections with a director or have a common trustee. Furthermore, £10,000 of management fees were paid to Amingham Limited for the management of the group's property portfolio. Amingham Limited, is a company where one of the directors is also a director in the subsidiary undertaking.

Trade debtors includes £1,438,872 (2021: £1,205,350) due from Amingham Limited.

Other debtors include amounts due from the following companies who have directors who are also Trustees or close family of the Trustees of the Charity Group: Easton Fabrics Limited £5,085 (2021: £5,085), ALRW Investments Limited £28,007 (2021: £28,007). All loans are interest free and repayable on demand.

Also included in Other debtors is £674,678 (2021: £630,540) due from Marvel Investments Limited. Marvel Investments Limited has directors who are close family with the Trustees of the Charity Group. This loan bears interest at 7% per annum.

Other creditors include amounts due to the following companies whose directors are close family of the Trustees of the Charity Group: Freeserve Limited £200,000 (2021 £200,000), Wennington Properties Limited £211,249 (2021: £211,249). All loans are interest free and repayable on demand.

Charity

During the year, the Charity received all its donations (£726,800) from related parties, £550,000, from its 'subsidiary' Lota Estates Limited and £176,800 from JLW Properties Limited, ALRW Investments Limited and Venosni Charitable Trust Included in Amounts owed to group undertakings, is £1,046,447 (2021: £446,447) due to its 'subsidiary undertaking'.

Other creditors include amounts due to the following companies whose directors are close family of the Trustees of the Charity: Freeserve Limited £200,000 (2021 £200,000), Wennington Properties Limited £211,249 (2021: £211,249). All loans are interest free and repayable on demand.

21 Cash generated from operations	2022 £	2021 £
Surplus/ (deficit) for the year	383,356	(680,560)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,216,172)	(1,013,809)
Net gain on investments	(68)	
Depreciation and impairment of tangible fixed assets	25	4,878
Movements in working capital:		
(Increase)/decrease in debtors	(586,704)	657,689
Increase in creditors	41,509	175,002
Cash absorbed by operations	(1,378,054)	(856,800)

22 Analysis of changes in net funds

The charity had no debt during the year.

THE MELOW CHARITABLE TRUST

England & Wales - Charity number 275454

Accounts

CHARITY REGISTRATION NUMBER: 275454

The Melow Charitable Trust
Financial Statements
31 December 2021

COHEN ARNOLD
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

The Melow Charitable Trust
Financial Statements
Year ended 31 December 2021

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The Melow Charitable Trust
Trustees' Annual Report
Year ended 31 December 2021

The trustees present their report and the financial statements of the charity for the year ended 31 December 2021.

Reference and administrative details

Registered charity name	The Melow Charitable Trust
Charity registration number	275454
Principal office	21 Warwick Grove London E5 9HX
The trustees	Mrs E Weiser Mrs M Spitz
Auditor	Cohen Arnold Chartered accountants & statutory auditor New Burlington House 1075 Finchley Road LONDON NW11 0PU
Bankers	Barclays Bank Plc Leicester LE87 2BB
Solicitors	Carpenter Rose 26 The Broadway London NW7 3NL

Structure, governance and management

The trust was set up by way of a Deed of Trust on 9 February 1978.

Appointment, Training and Recruitment of Trustees

The trustees are long serving and are familiar with the running of the charity.

The statutory power of appointing new trustees or a new trustee shall be exercisable by the trustees during their joint lives and thereafter by the survivor of them.

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.

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 its subsidiary and are satisfied that systems are in place to mitigate those risks.

The Melow Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 31 December 2021

The principal risks to which the company is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to the property from flood, fire or terrorist action
- The availability of liquid funds to make grants and donations
- The general economic cycle

The trustees seek 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. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Grant making policy

Grants are made to charitable institutions and organisations which conform to the objects of the charity after the trustees have satisfied themselves as to the bona fides of the recipients.

Applications for grants are made in writing to the charity or in person to the Trustees by voluntary and community organisations. All donations above £3,000 require approval of all the Trustees and after making the necessary checks, proportional to the level of funding involved, donations are provided through bank transfer.

Objectives and activities

The objects of the trust are for general charitable purposes and in particular for the relief of poverty and the advancement of religion and religious education.

Aims, objectives and activities for public benefit

The trustees confirm that they have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting the grant making policies for the year.

This charity was established for general charitable purposes and in particular for the relief of poverty and the advancement of the Jewish religion, especially in the field of education. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objects of the charity and in doing so the charity has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2011.

Investment powers and policy

Under the Trust Deed, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objects. The trustees regularly review the charity's position and needs in respect of the investment policy.

Achievements and performance

During the period under review £1,618,515 (2020: £919,155) was distributed in furtherance of the charity's objectives. The analysis of grants can be found in note 10 to the financial statements.

The Melow Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 31 December 2021

Group Structure and Relationships

The Trustees of the charity hold on trust for the charity, the share capital of the 'subsidiary undertaking', Lota Estates Limited.

The company, registered in England, is engaged in property investment and its results are incorporated in the consolidated financial statements.

Details of the 'subsidiary undertaking' may be found in the note 18 to the financial statements.

Financial review

The charity is dependent for its income on the commercial activities of its 'subsidiary' and voluntary donations from companies connected with the trustees. The parent charity also receives a small amount of rental income from its sole investment property. The 'subsidiary undertaking', Lota Estates Limited, has a portfolio of investment properties and the group's performance can be seen in the financial statements set out below.

The parent charity's investment property produced income of £57,810, with the 'subsidiary' having £911,780 of rental income. The charity also received donation income amounting to £40,000. The charity has an interest chargeable loan due from a related company. The interest is charged at 7% and the interest receivable in the year totalled £44,138.

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.

At the year end, £11,607,597 (2020: £12,288,157) was held as unrestricted funds, of which £2,084,804 (2020: £2,760,483) were free reserves.

Plans for future periods

The charity plans continuing the activities outlined above in the coming years subject to incoming resources being maintained at a satisfactory level.

Trustees' responsibilities statement

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

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.

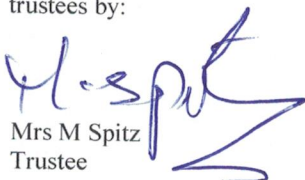
In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Melow Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 31 December 2021

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 27/10/2022 and signed on behalf of the board of trustees by:


Mrs M Spitz
Trustee

The Melow Charitable Trust
Independent Auditor's Report to the Members of The Melow Charitable Trust
Year ended 31 December 2021

Opinion

We have audited the financial statements of The Melow Charitable Trust (the 'charity') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, parent charity statement of financial activities, consolidated statement of financial position, parent charity balance sheet, consolidated statement of cash flows 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 charity and its subsidiary's affairs as at 31 December 2021 and of its 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 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 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.

The Melow Charitable Trust

Independent Auditor's Report to the Members of The Melow Charitable Trust *(continued)*

Year ended 31 December 2021

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.

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 Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

The Melow Charitable Trust

Independent Auditor's Report to the Members of The Melow Charitable Trust *(continued)*

Year ended 31 December 2021

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.
- 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.

The Melow Charitable Trust

Independent Auditor's Report to the Members of The Melow Charitable Trust *(continued)*

Year ended 31 December 2021

- 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.

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.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

M. Broner-Cohen

Moshe Broner-Cohen (Senior Statutory Auditor)

27/10/2022

Date

For and on behalf of
Cohen Arnold
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

The Melow Charitable Trust
Consolidated Statement of Financial Activities
Year ended 31 December 2021

		2021	2020
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	4	40,000	40,000
Investment income	5	1,013,809	1,169,703
Total income		<u>1,053,809</u>	<u>1,209,703</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	6	(99,383)	(183,998)
Expenditure on charitable activities	7,8	(1,634,929)	(943,286)
Taxation	11	(57)	(15,284)
Total expenditure		<u>(1,734,369)</u>	<u>(1,142,568)</u>
Net gains / (losses) on investments	12	–	49,125
Net expenditure and net movement in funds		<u>(680,560)</u>	<u>116,260</u>
Reconciliation of funds			
Total funds brought forward		12,288,157	12,171,897
Total funds carried forward		<u>11,607,597</u>	<u>12,288,157</u>

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

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Parent Charity Statement of Financial Activities
Year ended 31 December 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	940,000	940,000	676,817
Investment income	5	57,810	57,810	57,672
Total income		<u>997,810</u>	<u>997,810</u>	<u>734,489</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	6	(7,085)	(7,085)	(6,942)
Expenditure on charitable activities	7,8	(1,627,095)	(1,627,095)	(339,789)
Total expenditure		<u>(1,634,180)</u>	<u>(1,634,180)</u>	<u>(346,731)</u>
Net gains / (losses) on investments	12	(44,190)	(44,190)	(320,623)
Net expenditure and net movement in funds		<u>(680,560)</u>	<u>(680,560)</u>	<u>67,135</u>
Reconciliation of funds				
Total funds brought forward		12,288,157	12,288,157	12,221,022
Total funds carried forward		<u>11,607,597</u>	<u>11,607,597</u>	<u>12,288,157</u>

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

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Consolidated Statement of Financial Position
31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	17	246	5,127
Investments	18	10,782,186	10,782,186
		<u>10,782,432</u>	<u>10,787,313</u>
Current assets			
Debtors	19	2,165,886	2,823,575
Cash at bank and in hand		427,906	270,897
		<u>2,593,792</u>	<u>3,094,472</u>
Creditors: amounts falling due within one year	20	(508,988)	(333,989)
Net current assets		<u>2,084,804</u>	<u>2,760,483</u>
Total assets less current liabilities		<u>12,867,236</u>	<u>13,547,796</u>
Provisions	21	(1,259,639)	(1,259,639)
Net assets		<u>11,607,597</u>	<u>12,288,157</u>
Funds of the charity			
Unrestricted funds		<u>11,607,597</u>	<u>12,288,157</u>
Total charity funds	23	<u>11,607,597</u>	<u>12,288,157</u>

These financial statements were approved by the board of trustees and authorised for issue on 27/10/2022, and are signed on behalf of the board by:


Mrs E Weiser
Trustee

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Parent Charity Balance Sheet
31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	17	246	328
Investments	18	12,872,815	12,917,005
		<u>12,873,061</u>	<u>12,917,333</u>
Current assets			
Debtors	19	38,199	6,875
Cash at bank and in hand		168,682	49,114
		<u>206,881</u>	<u>55,989</u>
Creditors: amounts falling due within one year	20	(1,472,345)	(685,165)
Net current liabilities		<u>(1,265,464)</u>	<u>(629,176)</u>
Total assets less current liabilities		<u>11,607,597</u>	<u>12,288,157</u>
Net assets		<u>11,607,597</u>	<u>12,288,157</u>
Funds of the charity			
Unrestricted funds		<u>11,607,597</u>	<u>12,288,157</u>
Total charity funds	23	<u>11,607,597</u>	<u>12,288,157</u>

These financial statements were approved by the board of trustees and authorised for issue on 27/10/2022..., and are signed on behalf of the board by:


Mrs E Weiser
Trustee

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Consolidated Statement of Cash Flows
Year ended 31 December 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net expenditure	(680,560)	116,260
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	4,878	13,527
Net gains/losses on investments	(71)	(49,125)
Dividends, interest and rents from investments	(969,600)	(1,125,545)
Other interest receivable and similar income	(44,138)	(44,158)
Interest payable and similar charges	1	1,488
Taxation	57	15,284
Accrued income	(13,540)	(5,270)
Donated services – non-cash item	–	–
Other operating cash flow adjustment	–	–
<i>Changes in:</i>		
Trade and other debtors	657,689	118,639
Trade and other creditors	188,542	(345,800)
Cash generated from operations	(856,742)	(1,304,700)
Interest paid	(1)	(1,488)
Interest received	44,138	44,158
Tax paid	(57)	(11,004)
Net cash used in operating activities	<u>(812,662)</u>	<u>(1,273,034)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	969,600	1,125,545
Proceeds from sale of other investments	71	49,125
Net cash from investing activities	<u>969,671</u>	<u>1,174,670</u>
Cash flows from financing activities		
Proceeds from borrowings	–	–
Net cash used in financing activities	<u>–</u>	<u>–</u>
Net increase/(decrease) in cash and cash equivalents	157,009	(98,364)
Cash and cash equivalents at beginning of year	270,897	369,261
Cash and cash equivalents at end of year	25 <u>427,906</u>	<u>270,897</u>

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Notes to the Financial Statements
Year ended 31 December 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 21 Warwick Road, London, E5 9HX.

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

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the net current liabilities in the parent charity, the financial statements have been prepared on a going concern basis given the continued support of the charity's creditors which are all related parties.

Group Financial Statements

These Financial Statements consolidate the results of the Charity and its subsidiary, Lota Estates Limited, on a line-by-line basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Other than those stated below, there have been no judgements, estimates and assumptions in the year which materially affect the financial statements.

Income tax

The Charity is not liable to direct taxation (Income Tax) on its income which falls within the various exemptions available to registered charities. As a result, no Deferred Tax is provided on timing differences. The Charity is not registered for Value Added Tax (VAT) and is therefore unable to reclaim any input tax it suffers on its purchase. Expenditure in the accounts is therefore shown inclusive of VAT where appropriate.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

3. Accounting policies *(continued)*

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period for the subsidiary.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are 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. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

3. Accounting policies *(continued)*

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been

recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses,

except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Depreciation on the fixtures and fittings of the charity is at 25% (reducing balance) and at 10% (straight line) on the fixtures and fittings of the subsidiary.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

3. Accounting policies *(continued)*

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 -

i. Investment properties whose fair value can be measured reliably without undue cost or effort 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

ii. No depreciation is provided in respect of investment properties applying the fair value model.

Freehold properties held for investment have been revalued by trustees and directors of the subsidiary and are stated at valuation.

Acquisitions and disposals of properties

Acquisitions and disposals of properties are considered to take place at the date of legal completion and are included in the financial statements accordingly.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

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.

4. Donations and legacies

<u>Group</u>	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	40,000	40,000	35,000	35,000
Donations - Donated Services Received	—	—	5,000	5,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

4. Donations and legacies *(continued)*

<u>Charity</u>	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	940,000	940,000	671,817	671,817
Donations - Donated Services Received	—	—	5,000	5,000
	<u>940,000</u>	<u>940,000</u>	<u>676,817</u>	<u>676,817</u>

5. Investment income

<u>Group</u>	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	969,590	969,590	1,125,545	1,125,545
Other investment income	81	81	20	20
Other interest receivable	44,138	44,138	44,138	44,138
	<u>1,013,809</u>	<u>1,013,809</u>	<u>1,169,703</u>	<u>1,169,703</u>

<u>Charity</u>	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	57,810	57,810	57,672	57,672
	<u>57,810</u>	<u>57,810</u>	<u>57,672</u>	<u>57,672</u>

6. Investment management costs

<u>Group</u>	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Investment management costs	99,383	99,383	183,998	183,998

<u>Charity</u>	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Investment management costs	7,085	7,085	6,942	6,942

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

7. Expenditure on charitable activities by fund type

<u>Group</u>	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Charitable activity	1,618,515	1,618,515	919,155	919,155
Support costs	16,414	16,414	24,131	24,131
	<u>1,634,929</u>	<u>1,634,929</u>	<u>943,286</u>	<u>943,286</u>
 <u>Charity</u>	 Unrestricted Funds £	 Total Funds 2021 £	 Unrestricted Funds £	 Total Funds 2020 £
Charitable activity	1,618,515	1,618,515	324,155	324,155
Support costs	8,580	8,580	15,634	15,634
	<u>1,627,095</u>	<u>1,627,095</u>	<u>339,789</u>	<u>339,789</u>

8. Expenditure on charitable activities by activity type

<u>Group</u>	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable activity	1,618,515	–	1,618,515	919,155
Governance costs	–	16,414	16,414	24,131
	<u>1,618,515</u>	<u>16,414</u>	<u>1,634,929</u>	<u>943,286</u>
 <u>Charity</u>	 Grant funding of activities £	 Support costs £	 Total funds 2021 £	 Total fund 2020 £
Charitable activity	1,618,515	–	1,618,515	324,155
Governance costs	–	8,580	8,580	15,634
	<u>1,618,515</u>	<u>8,580</u>	<u>1,627,095</u>	<u>339,789</u>

9. Analysis of support costs

	Accountancy £	Audit £	Office costs £	Interest & Bank charges £	Total 2021 £	Total 2020 £
Governance costs	<u>7,440</u>	<u>8,600</u>	<u>373</u>	<u>1</u>	<u>16,414</u>	<u>24,131</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

10. Analysis of grants

	2021	2020
	£	£
Grants to institutions		
Amud Hatzdokoh Trust	200,660	740
Ben Amram Charitable Trust	44,000	—
Chasdei Aharon Limited	201,400	45,000
Chasdei Shalom Trust	58,000	20,000
Chesed Shel Emes Limited	—	43,000
Choimel Dalim	30,000	—
College for Higher Rabbinical Studies	60,000	35,000
Congregation Sharei Shalom Tchabe Limited	90,000	25,000
Congregation Supporters of Torah	200,000	—
Friends of Beis Soroh Schneirer	100,000	—
Friends of Yeshiva Daas Sholem Shotz	250	50,300
Here 2 Help	—	163,000
Inspirations	150	47,000
Friends of Mercaz Hatorah Belz Macnivka	60,000	—
Mifal Hachessed Vehatzedokoh	100,000	—
North London Foodbank	—	140,000
Notzar Chesed	30,000	—
Start Upright	83,000	30,000
Tchabe Kollel Limited	200,000	102,200
The Rehabilitation Trust	50,000	100,000
Yeitev Lev Eretz Israel Ltd	50,000	1,200
Zoreya Tzedokos	100	50,000
Other donations under £30,000	60,955	66,715
	<u>1,618,515</u>	<u>919,155</u>
Total grants to institutions	<u>1,618,515</u>	<u>919,155</u>

All grants were paid were for alleviation of poverty, education and furtherance of Jewish religion and general charitable purposes.

Analysis of grants to institutions:

	2021	2020
	£	£
General charitable purposes	749,227	477,978
Advancement of the Jewish Religion	435,889	170,123
Advancement of Jewish Education	433,399	271,054
Total	<u>1,618,515</u>	<u>919,155</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

11. Taxation

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax (income)/expense	–	8,091
Adjustments in respect of prior periods	57	7,193
Total current tax	<u>57</u>	<u>15,284</u>
Deferred tax:		
Origination and reversal of timing differences	–	–
Taxation	<u>57</u>	<u>15,284</u>

12. Net gains/(losses) on investments

Group

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on investment property	–	–	49,125	49,125
	<u>–</u>	<u>–</u>	<u>49,125</u>	<u>49,125</u>

Charity

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on investments in group undertakings	(44,190)	(44,190)	(320,623)	(320,623)
	<u>(44,190)</u>	<u>(44,190)</u>	<u>(320,623)</u>	<u>(320,623)</u>

13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	<u>4,878</u>	<u>13,527</u>

14. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>8,600</u>	<u>11,138</u>

15. Staff costs

The average head count of employees during the year was Nil (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

16. Trustee remuneration and expenses

The charity has two trustees all of whom give freely of their time and expertise without any form of remuneration or other benefit in kind or cash (2020: £nil). The charity did not meet any expenses (2020: £nil) incurred by the trustees for services provided to the charity.

17. Tangible fixed assets

Fixtures and fittings	Group £	Charity £
Cost		
At 1 January 2021 and 31 December 2021	<u>144,535</u>	<u>10,362</u>
Depreciation		
At 1 January 2021	139,411	10,034
Charge for the year	4,878	82
At 31 December 2021	<u>144,289</u>	<u>10,116</u>
Carrying amount		
At 31 December 2021	<u>246</u>	<u>246</u>
At 31 December 2020	<u>5,127</u>	<u>328</u>

18. Investments

<u>Group</u>	Investment properties £	Other investments £	Total £
Valuation			
At 1 January 2021	10,781,974	212	10,782,186
Additions	—	—	—
Disposals	—	—	—
At 31 December 2021	<u>10,781,974</u>	<u>212</u>	<u>10,782,186</u>
Impairment			
At 1 January 2021 and 31 December 2021		<u>—</u>	<u>—</u>
Carrying amount			
At 31 December 2021	<u>10,781,974</u>	<u>212</u>	<u>10,782,186</u>
At 31 December 2020	<u>10,781,974</u>	<u>212</u>	<u>10,782,186</u>

All investments shown above are held at valuation. The historical cost of the investment properties is £2,778,983.

Investment properties

The group's investment properties comprise residential and commercial portfolios. The fair value of the investment properties has been arrived at on the basis of valuation carried out at 31st December 2021 by the trustees who are considered to have the experience and expertise required to undertake such an exercise. The valuation is made on an open market value basis by reference to market evidence of transaction prices for similar properties in the same location taking account their age and condition.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

18. Investments *(continued)*

<u>Charity</u>	Investment properties £	Subsidiary undertakings £	Total £
Cost or valuation			
At 1 January 2021	650,000	12,267,005	12,917,005
Additions	—	—	—
Revaluations	—	(44,190)	(44,190)
At 31 December 2021	<u>650,000</u>	<u>12,222,815</u>	<u>12,872,815</u>
Impairment			
At 1 January 2021 and 31 December 2021	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount			
At 31 December 2021	<u>650,000</u>	<u>12,222,815</u>	<u>12,872,815</u>
At 31 December 2020	<u>650,000</u>	<u>12,267,005</u>	<u>12,917,005</u>

Subsidiary undertaking

The Trustees of the charity hold on trust for the charity, the full share capital and net assets of the ‘subsidiary undertaking’, Lota Estates Limited (*Company Number 01075993*). The company is registered in England and has a coterminous year end with the parent charity. The following figures show the performance of the ‘subsidiary’ during the year and its position as at 31st December 2021:

	<u>Turnover</u> £	<u>Net Expenditure</u> £	<u>Other Income</u> £	<u>Taxation</u> £	<u>Profit/(Loss) after tax</u> £
Lota Estates Limited	911,780	1,000,132	44,219	(57)	(44,190)

	<u>Fixed Assets</u> £	<u>Current Assets</u> £	<u>Current Liabilities</u> £	<u>Provisions</u> £	<u>Capital and Reserves</u> £
Lota Estates Limited	10,132,187	3,433,358	(83,091)	(1,259,639)	12,222,815

19. Debtors

<u>Group</u>	2021 £	2020 £
Trade debtors	1,502,254	2,159,943
Other debtors	663,632	663,632
	<u>2,165,886</u>	<u>2,823,575</u>

<u>Charity</u>	2021 £	2020 £
Trade debtors	38,199	6,875
	<u>38,199</u>	<u>6,875</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

20. Creditors: amounts falling due within one year

<u>Group</u>	2021	2020
	£	£
Trade creditors	71,649	83,167
Accruals and deferred income	12,680	26,220
Corporation tax	6,161	6,104
Other creditors	418,498	218,498
	<u>508,988</u>	<u>333,989</u>
 <u>Charity</u>	 2021	 2020
	£	£
Trade creditors	—	—
Accruals and deferred income	7,400	20,220
Amounts owed to group undertakings	1,046,447	446,447
Other creditors	418,498	218,498
	<u>1,472,345</u>	<u>685,165</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 22)	<u>1,259,639</u>	<u>1,259,639</u>

22. Provisions

	Deferred tax (note 21) £
At 1 January 2021	1,259,639
Additions	—
At 31 December 2021	<u>1,259,639</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

23. Analysis of charitable funds

Unrestricted funds

<u>Group</u>	At 1 January 2021 £	Income £	Expenditure £	Gains and losses £	At 31 December 2021 £
General funds	<u>12,288,157</u>	<u>1,053,809</u>	<u>(1,734,369)</u>	<u>—</u>	<u>11,607,597</u>

	At 1 January 2020 £	Income £	Expenditure £	Gains and losses £	At 31 December 2020 £
General funds	<u>12,171,897</u>	<u>1,209,703</u>	<u>(1,142,568)</u>	<u>49,125</u>	<u>12,288,157</u>

Unrestricted funds

<u>Charity</u>	At 1 January 2021 £	Income £	Expenditure £	Gains and losses £	At 31 December 2021 £
General funds	<u>12,288,157</u>	<u>997,810</u>	<u>(1,634,180)</u>	<u>(44,190)</u>	<u>11,607,597</u>

	At 1 January 2020 £	Income £	Expenditure £	Gains and losses £	At 31 December 2020 £
General funds	<u>12,221,022</u>	<u>734,489</u>	<u>(346,731)</u>	<u>(320,623)</u>	<u>12,288,157</u>

24. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	246	246
Investments	10,782,186	10,782,186
Current assets	2,593,792	2,593,792
Creditors less than 1 year	(508,988)	(508,988)
Provisions	(1,259,639)	(1,259,639)
Net assets	<u>11,607,597</u>	<u>11,607,597</u>
	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	5,127	5,127
Investments	10,782,186	10,782,186
Current assets	3,094,472	3,094,472
Creditors less than 1 year	(333,989)	(333,989)
Provisions	(1,259,639)	(1,259,639)
Net assets	<u>12,288,157</u>	<u>12,288,157</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2021

25. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	<u>270,897</u>	<u>157,009</u>	<u>427,906</u>

26. Related Party Transactions

Group

During the year, the Charity Group received all its donations (£40,000) from JLW Properties Limited, a company whose director is a family member of the Trustees. Furthermore, £15,000 of management fees were paid to Amingham Limited for the management of the group's property portfolio. Amingham Limited, is a company where one of the directors is also a director in the subsidiary undertaking.

Trade debtors includes £1,205,350 (2020: £1,832,582) due from Amingham Limited.

Other debtors include amounts due from the following companies who have directors who are also Trustees or close family of the Trustees of the Charity Group: Easton Fabrics Limited £5,085 (2020: £5,085), ALRW Investments Limited £28,007 (2020: £28,007). All loans are interest free and repayable on demand.

Also included in Other debtors is £630,540 (2020: £630,540) due from Marvel Investments Limited. Marvel Investments Limited has directors who are close family with the Trustees of the Charity Group. This loan bears interest at 7% per annum.

Other creditors include amounts due to the following companies whose directors are close family of the Trustees of the Charity Group: Freeserve Limited £200,000 (2020 £Nil), Wennington Properties Limited £211,249 (2020: £211,249). All loans are interest free and repayable on demand.

Charity

During the year, the Charity received all its donations (£940,000) from related parties, £900,000 from its 'subsidiary' Lota Estates Limited and £40,000 from JLW Properties Limited.

Included in Amounts owed to group undertakings, is £1,046,447 (2020: £446,447) due to its 'subsidiary undertaking'.

Other creditors include amounts due to the following companies whose directors are close family of the Trustees of the Charity: Freeserve Limited £200,000 (2020 £Nil), Wennington Properties Limited £211,249 (2020: £211,249). All loans are interest free and repayable on demand.

Accounts

CHARITY REGISTRATION NUMBER: 275454

The Melow Charitable Trust
Financial Statements
31 December 2020

COHEN ARNOLD
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

The Melow Charitable Trust
Financial Statements
Year ended 31 December 2020

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The Melow Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 31 December 2020

The trustees present their report and the financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	The Melow Charitable Trust
Charity registration number	275454
Principal office	21 Warwick Grove London E5 9HX
The trustees	Mrs E Weiser Mrs M Spitz
Auditor	Cohen Arnold Chartered accountants & statutory auditor New Burlington House 1075 Finchley Road LONDON NW11 0PU
Bankers	Barclays Bank Plc Leicester LE87 2BB
Solicitors	Carpenter Rose 26 The Broadway London NW7 3NL

Structure, governance and management

The trust was set up by way of a Deed of Trust on 9 February 1978.

Appointment, Training and Recruitment of Trustees

The trustees are long serving and are familiar with the running of the charity.

The statutory power of appointing new trustees or a new trustee shall be exercisable by the trustees during their joint lives and thereafter by the survivor of them.

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.

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 its subsidiary and are satisfied that systems are in place to mitigate those risks.

The Melow Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 31 December 2020

The principal risks to which the company is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to the property from flood, fire or terrorist action
- The availability of liquid funds to make grants and donations
- The general economic cycle

The trustees seek 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. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Grant making policy

Grants are made to charitable institutions and organisations which conform to the objects of the charity after the trustees have satisfied themselves as to the bona fides of the recipients.

Applications for grants are made in writing to the charity or in person to the Trustees by voluntary and community organisations. All donations above £3,000 require approval of all the Trustees and after making the necessary checks, proportional to the level of funding involved, donations are provided through bank transfer.

Objectives and activities

The objects of the trust are for general charitable purposes and in particular for the relief of poverty and the advancement of religion and religious education.

Aims, objectives and activities for public benefit

The trustees confirm that they have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting the grant making policies for the year.

This charity was established for general charitable purposes and in particular for the relief of poverty and the advancement of the Jewish religion, especially in the field of education. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objects of the charity and in doing so the charity has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2011.

Investment powers and policy

Under the Trust Deed, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objects. The trustees regularly review the charity's position and needs in respect of the investment policy.

Achievements and performance

During the period under review £919,155 (2019: £1,714,065) was distributed in furtherance of the charity's objectives. The analysis of grants can be found in note 10 to the financial statements.

The Melow Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 31 December 2020

Group Structure and Relationships

The Trustees of the charity hold on trust for the charity, the share capital of the subsidiary undertaking, Lota Estates Limited.

The company, registered in England, is engaged in property investment and its results are incorporated in the consolidated financial statements.

Details of the subsidiary undertaking may be found in the note 18 to the financial statements.

Financial review

The charity is dependent for its income on the commercial activities of its subsidiary and voluntary donations from companies connected with the trustees. The parent charity also receives a small amount of rental income from its sole investment property. The subsidiary undertaking, Lota Estates Limited, has a portfolio of investment properties and the group's performance can be seen in the financial statements set out below.

The parent charity's investment property brought in income of £57,672, with the subsidiary having £1,067,873 of rental income. The charity also received donation income amounting to £35,000 with a further £5,000 of donated services. The charity has an interest chargeable loan due from a related company. The interest is charged at 7% and the interest receivable in the year totalled £44,138.

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.

At the year end, £12,288,157 (2019: £12,171,897) was held as unrestricted funds, of which £2,760,483 (2019: £2,630,696) were free reserves.

Plans for future periods

The charity plans continuing the activities outlined above in the coming years subject to incoming resources being maintained at a satisfactory level.

Covid-19 pandemic and going concern

The Trustees have considered the impact of the Covid-19 pandemic on the income of the Charity and the valuation of the group's assets. The current downturn in the UK economy may lead to a fall in voluntary income of the Charity resulting in the Charity limiting its grant making activities. The full financial effects of the pandemic on the valuation of assets cannot currently be quantified and the Trustees are unable to predict fully the future implications on the Charity's financial affairs.

Notwithstanding these uncertainties, the trustees 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 trustees have a reasonable expectation that the charity group has adequate resources under all plausible circumstance to continue in operational existence for the foreseeable future by meeting its liabilities and commitments as they fall due.

Trustees' responsibilities statement

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

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.

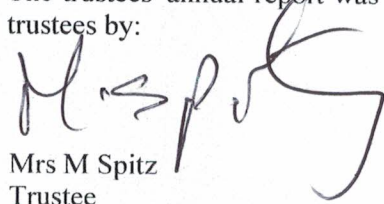
The Melow Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 31 December 2020

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 25/10/2021 and signed on behalf of the board of trustees by:



Mrs M Spitz
Trustee

The Melow Charitable Trust
Independent Auditor's Report to the Members of The Melow Charitable Trust
Year ended 31 December 2020

Opinion

We have audited the financial statements of The Melow Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, parent charity statement of financial activities, consolidated statement of financial position, parent charity balance sheet, consolidated statement of cash flows 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 charity and its subsidiary's affairs as at 31 December 2020 and of its 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 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.

Emphasis of matter

In forming our opinion of the financial statements, which is not modified, we would draw attention to the material uncertainty as reported in page three of the Trustees' Annual Report: Covid-19 pandemic and going concern.

The Melow Charitable Trust

Independent Auditor's Report to the Members of The Melow Charitable Trust *(continued)*

Year ended 31 December 2020

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.

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 Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 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.

The Melow Charitable Trust

Independent Auditor's Report to the Members of The Melow Charitable Trust *(continued)*

Year ended 31 December 2020

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.

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.

The Melow Charitable Trust

Independent Auditor's Report to the Members of The Melow Charitable Trust *(continued)*

Year ended 31 December 2020

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.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

M. Broner-Cohen

Moshe Broner-Cohen (Senior Statutory Auditor)

25/10/2021

Date

For and on behalf of
Cohen Arnold
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

The Melow Charitable Trust
Consolidated Statement of Financial Activities
Year ended 31 December 2020

		2020	2019
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	4	40,000	125,000
Investment income	5	1,169,703	1,352,274
Total income		<u>1,209,703</u>	<u>1,477,274</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	6	(183,998)	(150,166)
Expenditure on charitable activities	7,8	(943,286)	(1,733,299)
Taxation	11	(15,284)	(15,500)
Total expenditure		<u>(1,142,568)</u>	<u>(1,898,965)</u>
Net gains / (losses) on investments	12	49,125	(284,893)
Net expenditure and net movement in funds		<u>116,260</u>	<u>(706,584)</u>
Reconciliation of funds			
Total funds brought forward		12,171,897	12,878,481
Total funds carried forward		<u>12,288,157</u>	<u>12,171,897</u>

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

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Parent Charity Statement of Financial Activities
Year ended 31 December 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	676,817	676,817	570,000
Investment income	5	57,672	57,672	185,099
Total income		<u>734,489</u>	<u>734,489</u>	<u>755,099</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	6	(6,942)	(6,942)	(6,812)
Expenditure on charitable activities	7,8	(339,789)	(339,789)	(1,148,479)
Total expenditure		<u>(346,731)</u>	<u>(346,692)</u>	<u>(1,155,291)</u>
Net gains / (losses) on investments	12	(320,623)	(320,623)	(269,821)
Net expenditure and net movement in funds		<u>67,135</u>	<u>67,135</u>	<u>(670,013)</u>
Reconciliation of funds				
Total funds brought forward		12,221,022	12,221,022	12,891,035
Total funds carried forward		<u>12,288,157</u>	<u>12,288,157</u>	<u>12,221,022</u>

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

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Consolidated Statement of Financial Position
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	17	5,127	18,654
Investments	18	10,782,186	10,782,186
		<u>10,787,313</u>	<u>10,800,840</u>
Current assets			
Debtors	19	2,823,575	2,942,214
Cash at bank and in hand		270,897	369,261
		<u>3,094,472</u>	<u>3,311,475</u>
Creditors: amounts falling due within one year	20	(333,989)	(680,779)
Net current assets		<u>2,760,483</u>	<u>2,630,696</u>
Total assets less current liabilities		13,547,796	13,431,536
Provisions	21	(1,259,639)	(1,259,639)
Net assets		<u>12,288,157</u>	<u>12,171,897</u>
Funds of the charity			
Unrestricted funds		12,288,157	12,171,897
Total charity funds	23	<u>12,288,157</u>	<u>12,171,897</u>

These financial statements were approved by the board of trustees and authorised for issue on 25/10/2021....., and are signed on behalf of the board by:


Mrs E Weiser
Trustee

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Parent Charity Balance Sheet
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	17	328	438
Investments	18	12,917,936	13,237,628
		<u>12,918,264</u>	<u>13,238,066</u>
Current assets			
Debtors	19	6,875	—
Cash at bank and in hand		49,114	40,033
		<u>55,989</u>	<u>40,033</u>
Creditors: amounts falling due within one year	20	(686,096)	(1,057,077)
Net current liabilities		<u>(630,107)</u>	<u>(1,017,044)</u>
Total assets less current liabilities		<u>12,288,157</u>	<u>12,221,022</u>
Net assets		<u>12,288,157</u>	<u>12,221,022</u>
Funds of the charity			
Unrestricted funds		12,288,157	12,221,022
Total charity funds	23	<u>12,288,157</u>	<u>12,221,022</u>

These financial statements were approved by the board of trustees and authorised for issue on 25/10/2021, and are signed on behalf of the board by:

E. Weiser

Mrs E Weiser
Trustee

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Consolidated Statement of Cash Flows
Year ended 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net expenditure	116,260	(706,584)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	13,527	13,564
Net losses on investments	(49,125)	284,893
Dividends, interest and rents from investments	(1,125,545)	(1,308,088)
Other interest receivable and similar income	(44,158)	(44,186)
Interest payable and similar charges	1,488	57
Taxation	15,284	15,500
Accrued income	(5,270)	(21,616)
Donated services – non-cash item	–	–
Other operating cash flow adjustment	–	–
<i>Changes in:</i>		
Trade and other debtors	118,639	741,159
Trade and other creditors	(345,800)	(59,793)
Cash generated from operations	(1,304,700)	(1,085,094)
Interest paid	(1,488)	(57)
Interest received	44,158	44,186
Tax paid	(11,004)	(147,906)
Net cash used in operating activities	<u>(1,273,034)</u>	<u>(1,188,871)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	1,125,545	1,308,088
Proceeds from sale of other investments	49,125	140,107
Net cash from investing activities	<u>1,174,670</u>	<u>1,448,195</u>
Cash flows from financing activities		
Proceeds from borrowings	–	–
Net cash used in financing activities	<u>–</u>	<u>–</u>
Net increase/(decrease) in cash and cash equivalents	(98,364)	259,324
Cash and cash equivalents at beginning of year	<u>369,261</u>	<u>109,937</u>
Cash and cash equivalents at end of year	25 <u>270,897</u>	<u>369,261</u>

The notes on pages 14 to 27 form part of these financial statements.

The Melow Charitable Trust
Notes to the Financial Statements
Year ended 31 December 2020

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 21 Warwick Road, London, E5 9HX.

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

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the net current liabilities in the parent charity, the financial statements have been prepared on a going concern basis given the continued support of the charity's creditors which are all related parties.

No Material Uncertainty Exists

The outbreak of the Covid-19 pandemic in the first six months of 2020 and the associated lockdown has had a negative impact on the macro economy and the particular market that the group's subsidiary operates in. The Trustees have placed a particular focus on the charity's going concern assessment and have considered the principal risks to the charity. This assessment has considered the various probable outcomes of the pandemic on the charity group's operations and its future financial performance over the next 12 months, including a decline in revenues, an increase in impairments and a reduction in property values. Uncertainty surrounding Brexit and the associated potential financial costs may also have a negative impact. These risks are beyond the control of the charity and represent uncertainty to the revenue and cash flow of the charity group for the foreseeable future.

Notwithstanding these uncertainties, the trustees 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 trustees have a reasonable expectation that the charity group has adequate resources under all plausible circumstance to continue in operational existence for the foreseeable future by meeting its liabilities and commitments as they fall due.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

3. Accounting policies *(continued)*

Group Financial Statements

These Financial Statements consolidate the results of the Charity and its subsidiary, Lota Estates Limited, on a line-by-line basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Other than those stated below, there have been no judgements, estimates and assumptions in the year which materially affect the financial statements.

Income tax

The Charity is not liable to direct taxation (Income Tax) on its income which falls within the various exemptions available to registered charities. As a result, no Deferred Tax is provided on timing differences. The Charity is not registered for Value Added Tax (VAT) and is therefore unable to reclaim any input tax it suffers on its purchase. Expenditure in the accounts is therefore shown inclusive of VAT where appropriate.

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period for the subsidiary.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are 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. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been

recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses,

except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Depreciation on the fixtures and fittings of the charity is at 25% (reducing balance) and at 10% (straight line) on the fixtures and fittings of the subsidiary.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

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 -

i. Investment properties whose fair value can be measured reliably without undue cost or effort 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

ii. No depreciation is provided in respect of investment properties applying the fair value model.

Freehold properties held for investment have been revalued by trustees and directors of the subsidiary and are stated at valuation.

Acquisitions and disposals of properties

Acquisitions and disposals of properties are considered to take place at the date of legal completion and are included in the financial statements accordingly.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

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.

4. Donations and legacies

<u>Group</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations	35,000	35,000	120,000	120,000
Donations - Donated Services Received	5,000	5,000	5,000	5,000
	<u>40,000</u>	<u>40,000</u>	<u>125,000</u>	<u>125,000</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

4. Donations and legacies *(continued)*

<u>Charity</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations	671,817	671,817	565,000	565,000
Donations - Donated Services Received	5,000	5,000	5,000	5,000
	<u>676,817</u>	<u>676,817</u>	<u>570,000</u>	<u>570,000</u>

5. Investment income

<u>Group</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from investment properties	1,125,545	1,125,545	1,308,088	1,308,088
Other investment income	20	20	—	—
Other interest receivable	44,138	44,138	44,186	44,186
	<u>1,169,703</u>	<u>1,169,703</u>	<u>1,352,274</u>	<u>1,352,274</u>

<u>Charity</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from investment properties	57,672	57,672	185,099	185,099
	<u>57,672</u>	<u>57,672</u>	<u>185,099</u>	<u>185,099</u>

6. Investment management costs

<u>Group</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Investment management costs	183,998	183,998	150,166	150,166

<u>Charity</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Investment management costs	6,942	6,942	6,812	6,812

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

7. Expenditure on charitable activities by fund type

<u>Group</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Charitable activity	919,155	919,155	1,714,065	1,714,065
Support costs	24,131	24,131	19,234	19,234
	<u>943,286</u>	<u>943,286</u>	<u>1,733,299</u>	<u>1,733,299</u>
<u>Charity</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Charitable activity	324,155	324,155	1,140,065	1,140,065
Support costs	15,634	15,634	8,414	8,414
	<u>339,789</u>	<u>339,789</u>	<u>1,148,479</u>	<u>1,148,479</u>

8. Expenditure on charitable activities by activity type

<u>Group</u>	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Charitable activity	919,155	–	919,155	1,714,065
Governance costs	–	24,131	24,131	19,234
	<u>919,155</u>	<u>24,131</u>	<u>943,286</u>	<u>1,733,299</u>
<u>Charity</u>	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Charitable activity	324,155	–	324,155	1,140,065
Governance costs	–	15,634	15,634	8,414
	<u>324,155</u>	<u>15,634</u>	<u>339,789</u>	<u>1,148,479</u>

9. Analysis of support costs

	Accountancy £	Audit £	Office costs £	Interest & Bank charges £	Total 2020 £	Total 2019 £
Governance costs	<u>11,332</u>	<u>11,138</u>	<u>173</u>	<u>1,488</u>	<u>24,131</u>	<u>19,234</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

10. Analysis of grants

	2020	2019
	£	£
Grants to institutions		
Chasdei Aharon Limited	45,000	50,000
Chesed Shel Emes Limited	43,000	30,000
College for Higher Rabbinical Studies	35,000	–
Ezer V'Hatzalah Limited	–	620,010
Friends of Yeshiva Daas Sholem Shotz	50,300	26,200
Friends of Zichron Dovid	4,900	61,000
Hadras Kodesh Trust	5,000	534,000
Here 2 Help	163,000	–
Inspirations	47,000	30,000
North London Foodbank	140,000	–
Shaarei Chesed Trust	150	30,000
Sharei Chesed (London)	4,100	56,000
Start Upright	30,000	50,000
Tchabe Kollel Limited	102,200	50,000
The Rehabilitation Trust	100,000	–
UTA of Boro Park	–	39,050
Zoreya Tzedokos	50,000	–
Other donations under £30,000	99,505	137,805
	<u>919,155</u>	<u>1,714,065</u>
Total grants to institutions	<u>919,155</u>	<u>1,714,065</u>

All grants were paid were for alleviation of poverty, education and furtherance of Jewish religion and general charitable purposes.

Analysis of grants to institutions:

	2020	2019
	£	£
General charitable purposes	477,978	540,621
Advancement of the Jewish Religion	170,123	571,470
Advancement of Jewish Education	271,054	601,974
Total	<u>919,155</u>	<u>1,714,065</u>

11. Taxation

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax (income)/expense	8,091	(28,610)
Adjustments in respect of prior periods	7,193	18,776
Total current tax	<u>15,284</u>	<u>(9,834)</u>
Deferred tax:		
Origination and reversal of timing differences	–	25,334
Taxation	<u>15,284</u>	<u>15,500</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

12. Net gains/(losses) on investments

<u>Group</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on investment property	49,125	49,125	(284,893)	(284,893)
	<u>49,125</u>	<u>49,125</u>	<u>(284,893)</u>	<u>(284,893)</u>
<u>Charity</u>	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on investments in group undertakings	(320,623)	(320,623)	(269,821)	(269,821)
	<u>(320,623)</u>	<u>(320,623)</u>	<u>(269,821)</u>	<u>(269,821)</u>

13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>13,527</u>	<u>13,564</u>

14. Auditors remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>11,138</u>	<u>11,000</u>

15. Staff costs

The average head count of employees during the year was Nil (2019: Nil).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

16. Trustee remuneration and expenses

The charity has two trustees all of whom give freely of their time and expertise without any form of remuneration or other benefit in kind or cash (2019: £nil). The charity did not meet any expenses (2019: £nil) incurred by the trustees for services provided to the charity.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

17. Tangible fixed assets

Fixtures and fittings	Group £	Charity £
Cost		
At 1 January 2020 and 31 December 2020	<u>144,537</u>	<u>10,362</u>
Depreciation		
At 1 January 2020	125,883	9,924
Charge for the year	<u>13,527</u>	<u>110</u>
At 31 December 2020	<u>139,410</u>	<u>10,034</u>
Carrying amount		
At 31 December 2020	<u>5,127</u>	<u>328</u>
At 31 December 2019	<u>18,654</u>	<u>438</u>

18. Investments

<u>Group</u>	Investment properties £	Other investments £	Total £
Valuation			
At 1 January 2020	10,781,974	212	10,782,186
Additions	—	—	—
Disposals	—	—	—
At 31 December 2020	<u>10,781,974</u>	<u>212</u>	<u>10,782,186</u>
Impairment			
At 1 January 2020 and 31 December 2020		<u>—</u>	<u>—</u>
Carrying amount			
At 31 December 2020	<u>10,781,974</u>	<u>212</u>	<u>10,782,186</u>
At 31 December 2019	<u>10,781,974</u>	<u>212</u>	<u>10,782,186</u>

All investments shown above are held at valuation. The historical cost of the investment properties is £1,905,483.

Investment properties

The group's investment properties comprise residential and commercial portfolios. The fair value of the investment properties has been arrived at on the basis of valuation carried out at 31st December 2020 by the trustees who are considered to have the experience and expertise required to undertake such an exercise. The valuation is made on an open market value basis by reference to market evidence of transaction prices for similar properties in the same location taking account their age and condition.

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

18. Investments *(continued)*

<u>Charity</u>	Investment properties £	Subsidiary undertakings £	Total £
Cost or valuation			
At 1 January 2020	650,000	12,587,628	13,237,628
Additions	—	—	—
Revaluations	—	(320,623)	(320,623)
At 31 December 2020	650,000	12,267,005	12,917,005
Impairment			
At 1 January 2020 and 31 December 2020	—	—	—
Carrying amount			
At 31 December 2020	650,000	12,267,005	12,917,005
At 31 December 2019	650,000	12,587,628	13,237,628

Subsidiary undertaking

The Trustees of the charity hold on trust for the charity, the full share capital and net assets of the subsidiary undertaking, Lota Estates Limited (*Company Number 01075993*). The company is registered in England and has a coterminous year end with the parent charity. The following figures show the performance of the subsidiary during the year and its position as at 31st December 2020:

	<u>Turnover</u>	<u>Net Expenditure</u>	<u>Revaluation Gains</u>	<u>Taxation</u>	<u>Profit/(Loss) after tax</u>
	£	£	£	£	£
Lota Estates Limited	1,067,873	1,417,370	—	(15,284)	(320,623)

	<u>Fixed Assets</u>	<u>Current Assets</u>	<u>Current Liabilities</u>	<u>Provisions</u>	<u>Capital and Reserves</u>
	£	£	£	£	£
Lota Estates Limited	10,136,771	3,484,933	(95,271)	(1,259,639)	12,267,005

19. Debtors

<u>Group</u>	2020 £	2019 £
Trade debtors	2,159,943	1,938,582
Other debtors	663,632	1,003,632
	2,823,575	2,942,214

<u>Charity</u>	2020 £	2019 £
Trade debtors	6,875	—
	6,875	—

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

20. Creditors: amounts falling due within one year

<u>Group</u>	2020	2019
	£	£
Trade creditors	83,167	88,919
Accruals and deferred income	26,220	31,490
Corporation tax	6,104	1,824
Other creditors	218,498	558,546
	<u>333,989</u>	<u>680,779</u>
 <u>Charity</u>	 2020	 2019
	£	£
Trade creditors	–	321,801
Accruals and deferred income	20,220	20,283
Amounts owed to group undertakings	446,447	446,447
Other creditors	218,498	268,546
	<u>685,165</u>	<u>1,057,077</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions (note 22)	<u>1,259,639</u>	<u>1,259,639</u>

22. Provisions

	Deferred tax (note 21) £
At 1 January 2020	1,259,639
Additions	–
At 31 December 2020	<u>1,259,639</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

23. Analysis of charitable funds

Unrestricted funds

Group

	At 1 January 2020	Income	Expenditure	Gains and losses	At 31 December 2020
	£	£	£	£	£
General funds	<u>12,171,897</u>	<u>1,209,703</u>	<u>(1,142,568)</u>	<u>49,125</u>	<u>12,288,157</u>

	At 1 January 2019	Income	Expenditure	Gains and losses	At 31 December 2019
	£	£	£	£	£
General funds	<u>12,878,481</u>	<u>1,477,274</u>	<u>(1,898,965)</u>	<u>(284,893)</u>	<u>12,171,897</u>

Unrestricted funds

Charity

	At 1 January 2020	Income	Expenditure	Gains and losses	At 31 December 2020
	£	£	£	£	£
General funds	<u>12,221,022</u>	<u>734,489</u>	<u>(346,731)</u>	<u>(320,623)</u>	<u>12,288,157</u>

	At 1 January 2019	Income	Expenditure	Gains and losses	At 31 December 2019
	£	£	£	£	£
General funds	<u>12,891,035</u>	<u>755,099</u>	<u>(1,155,291)</u>	<u>(269,821)</u>	<u>12,221,022</u>

24. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2020
	£	£
Tangible fixed assets	5,127	5,127
Investments	10,782,186	10,782,186
Current assets	3,094,472	3,094,472
Creditors less than 1 year	(333,989)	(333,989)
Provisions	(1,259,639)	(1,259,639)
Net assets	<u>12,288,157</u>	<u>12,288,157</u>

	Unrestricted Funds	Total Funds 2019
	£	£
Tangible fixed assets	18,654	18,654
Investments	10,782,186	10,782,186
Current assets	3,311,475	3,311,475
Creditors less than 1 year	(680,779)	(680,779)
Provisions	(1,259,639)	(1,259,639)
Net assets	<u>12,171,897</u>	<u>12,171,897</u>

The Melow Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 31 December 2020

25. Analysis of changes in net debt

	At 1 Jan 2020	Cash flows	At 31 Dec 2020
	£	£	£
Cash at bank and in hand	369,261	(98,364)	270,897

26. Related Party Transactions

Group

During the year, the Charity Group received all its donations (£40,000) from related parties: £35,000 from JLW Investments Limited and £5,000 of donated services from Amingham Limited. Furthermore, £15,000 of management fees were paid to Amingham Limited for the management of the group's property portfolio. Amingham Limited, is a company where one of the directors is also a director in the subsidiary undertaking.

Trade debtors includes £1,832,582 (2019: £1,691,740) due from Amingham Limited.

Other debtors include amounts due from the following companies who have directors who are directors or close family of directors and Trustees of the Charity Group: Easton Fabrics Limited £5,085 (2019: £5,085), JLW Properties Limited £Nil (2019: £200,000), ALRW Investments Limited £28,007 (2019: £168,007). All loans are interest free and repayable on demand.

Also included in Other debtors is £630,540 (2019: £630,540) due from Marvel Investments Limited. Marvel Investments Limited has directors who are close family with the Trustees of the Charity Group. This loan bears interest at 7% per annum.

Other creditors include amounts due to the following companies who have directors who are directors or close family of directors and Trustees of the Charity Group: Wennington Properties Limited £211,249 (2019: £411,249), Falconheights Limited £Nil (2019: £140,000). All loans are interest free and repayable on demand.

Charity

During the year, the Charity received all its donations (£671,817) from related parties, £636,817 from its subsidiary Lota Estates Limited, £35,000 from JLW Properties Limited and £5,000 of donated services from Amingham Limited.

Included in Amounts owed to group undertakings, is £446,447 (2019: £446,447) due to its subsidiary undertaking.

Included in Trade creditors is £Nil (2019: £321,801) due to Amingham Limited, a company where one of the directors is also a director in the subsidiary undertaking.

Other creditors include amounts due to the following companies who have directors who are directors or close family of directors and Trustees of the Charity: Wennington Properties Limited £211,249 (2019: £211,249), Arisal Estates Limited £Nil (2019: £50,048). All loans are interest free and repayable on demand.