

SHLOMO MEMORIAL FUND LIMITED

England & Wales · Charity number 278973

Details

Other names RAMHOPE LIMITED

Status Registered

Legal form Charitable company

Company number 01393121

Registered 1980-04-28

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

Contact

Address New Burlington House
1075 Finchley Road
London
NW11 0PU

Phone 0161 772 0444

Email info@olnato.com

Activities

Objects: 1) THE ADVANCEMENT OF RELIGION IN ACCORDANCE WITH ORTHODOX JEWISH FAITH; AND2) THE RELIEF OF POVERTY; AND3) FOR SUCH OTHER PURPOSES AS ARE RECOGNISED BY ENGLISH LAW AS CHARITABLE AND AS THE TRUSTEES MAY FROM TIME TO TIME DECIDE.

Activities: The company receives income from its investment properties, cash deposits and subsidiary undertakings which it utilises in the provision and distribution of grants and donations for charitable purposes.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** WORLDWIDE
- Israel
- United States
- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|-------------|-------------|-------------|-----------|
| 2024-09-30 | £10,153,490 | £11,616,439 | £66,400,996 | 8 |
| 2023-09-30 | £8,938,300 | £10,466,753 | £68,944,060 | 8 |
| 2022-09-30 | £9,588,236 | £8,583,726 | £74,650,384 | 47 |
| 2021-09-30 | £10,782,306 | £8,670,111 | £71,688,024 | 100 |
| 2020-09-30 | £10,088,077 | £9,539,627 | £69,022,837 | 96 |

Trustees

| Name | Role | Appointed |
|---------------------------|-------|------------|
| AMICHAJ TOPOROWITZ | Chair | |
| CHAIM YEHUDA KAUFMAN | | |
| CHANNE LOPIAN | | |
| ELIYAH KLEINERMAN | | |
| ESTHER HOFFNER | | 2014-07-25 |
| HEZKEL MOSES TOPOROWITZ | | |
| MEIR YOSEF SULAM | | 2012-07-05 |

SHLOMO MEMORIAL FUND LIMITED

England & Wales - Charity number 278973

Accounts

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

Company No: 1393121

FINANCIAL STATEMENTS

for the year ended

30 SEPTEMBER 2024

COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

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FOR THE YEAR ENDED 30 SEPTEMBER 2024

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THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NAME: The Shlomo Memorial Fund Limited

STATUS: Incorporated: 9th October 1978
Registered Charity Number: 278973
Company Registration Number: 1393121

CHARITY TRUSTEES: Mr E Kleinerman
Mrs C Lopian
Mr A Toporowitz
Mr H Toporowitz
Mr C Y Kaufman
Mr M Y Sulam
Mrs E Hoffner

SECRETARY: Mrs C Lopian

PRINCIPAL OFFICE: 11 Bury New Road
Manchester
M25 9JZ

REGISTERED OFFICE: New Burlington House
1075 Finchley Road
LONDON NW11 0PU

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

PRINCIPAL BANKERS: NatWest Bank Plc
Stockton On Tees
Leeds Customer Service Centre
1 Victoria Place
Holbeck
LS11 5AN

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

The Trustees, who are also directors for the purposes of Company Law, have pleasure in presenting their Report, including a Strategic Report, together with the Consolidated Financial Statements of the Parent Charitable Company ('the Company') and its Subsidiary Undertakings for the year ended 30 September 2024.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and Administrative details of the Company are shown on page 1 of the Financial Statements which forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Shlomo Memorial Fund Limited is a Company limited by guarantee and its governing documents are its Memorandum and Articles of Association. It is a registered charity with the Charity Commission.

Organisation

The Company is administered by the Trustees. The Articles of Association of the Company do not require the Trustees to retire by rotation.

The day to day affairs of the Company are administered by the Trustees, the Chairman of which is Mr A Toporowitz.

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

Appointment of Trustees

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

Group Structure and Relationships

The Company has the following wholly owned non-charitable subsidiary undertakings:

| <u>Company</u> | <u>Nature of Business</u> |
|-----------------------|----------------------------------|
| Hartons Limited | Property Investment |
| Neranan Limited | Property Investment |
| Olnato Limited | Property Investment |
| Weymer Limited | Investment Company |

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Group Structure and Relationships (Continued)

Olnato Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|--------------------------------|----------------------------------|
| Cloudpress Limited | Property Investment |
| Primebourne Associates Limited | Property Development |
| Smart Mortgage Finance Limited | Provision of Finance |
| Talten Business Park Limited | Property Investment |
| Viewplus Limited | Property Investment |

Viewplus Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|---|-----------------------------------|
| Paramount Care (Gateshead) Limited | Provision of Care Home facilities |
| Paramount Care Services (Gateshead) Limited | Dormant |
| The More Centre (Gateshead) Limited | Provision of Day Care facilities |

The Trustees of this Company include directors of the above companies.

Related Party Transactions

Details of transactions with Related Parties are disclosed in Note 29 to the Financial Statements.

OBJECTIVES AND ACTIVITIES FOR THE BENEFIT OF THE PUBLIC

The Company is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law and in furtherance of the aforementioned objects, the Company receives income from its investment properties, cash deposits and subsidiary undertakings which it utilises in the provision and distribution of grants and donations for charitable purposes to organisations that fall within the objectives of the Company. It has concentrated its activities in promoting charitable activities of institutions teaching the principles of traditional Judaism, and the giving of philanthropic aid to the needy.

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

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the Charity. The Trustees are approached for donations by a wide variety of charitable institutions operating in the United Kingdom and abroad. The Trustees consider all requests which they receive and make donations based on the level of funds available.

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 15 to 17 to the Financial Statements.

STRATEGIC REPORT

Strategy and Business Model

The Company invests in investment properties, cash deposits and investments in Subsidiary Undertakings to generate income with which it makes grants and donations to Charitable Organisations and Institutions that fall within the objectives of the Company.

Achievements and Performance

During the year the Company has continued its philanthropic activities and has maintained its support of organisations engaging in education, advancement of religion and the giving of philanthropic aid. The reserves remain available to organisations engaging in activities compatible with the aims and objectives of the Company. The Trustees expect such demands to increase in future years.

The financial results of the Company and its Subsidiary Undertakings for the year ended 30 September 2024 are fully reflected in the attached Financial Statements together with the Notes thereon.

Grants and donations in the year totalled £2,465,200 (2023: £3,164,280).

Financial Review

Financial Position

The financial position of the Company and its subsidiary undertakings is satisfactory.

The Company's Consolidated Statement of Financial Activities shows a Net Loss for the year of £2,543,064 (2023: Net Loss £5,706,324) and total reserves of £66,400,996 (2023: £68,944,060).

Reserves Policy

The reserves of the Company are represented by the unrestricted funds arising from past net operating surpluses and include a reserve arising from the unrealised movement in the value of the Company's investment in subsidiary undertakings and its investment properties. By its very nature the element of unrestricted reserves represented by the revaluation surplus of fixed asset investments is not readily available for distribution. The Trustees have adopted a policy that tries to ensure the continuing ability of the Company to meet its objectives. A proportion of reserves are to be invested to generate income at a level, such that the ever-increasing calls on the Company can be met by self-generated income. The level of reserves is under continuous strategic review.

Principal Funding Sources

The Company's principal funding sources in the year were its investment portfolio, together with donations received from subsidiary undertakings.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Financial Review (Continued)

Investment Policy

Under the Memorandum and Articles of Association, the Company has the power to make investments which the Trustees consider appropriate. The Trustees effect investments which, over a medium period of years are anticipated to generate a dependable flow of income coupled with capital growth. The Company's investments are represented by its investment properties and its wholly owned subsidiary undertakings.

Key Performance Indicators

The Trustees monitor the group's performance against the strategic objectives on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial indicators. The key financial performance indicators used by the group are as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------|-------------|
| | £ | £ |
| Grants and donations paid | 2,465,200 | 3,164,280 |
| Net investment income | 902,948 | 1,731,494 |
| Net losses on investments | (1,137,231) | (4,014,227) |
| Net movement in funds – deficit | (2,543,064) | (5,706,324) |
| Total Funds | 66,400,996 | 68,944,060 |

Plans For The Future

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

Principal Risks and Uncertainties

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

The principal risks to which the group is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to property from flood, fire or terrorist action
- The availability of liquid funds to make grants and donations
- Macroeconomic and political uncertainty including the potential for a prolonged period of higher interest rates and geopolitical risks
- The economic cycle generally

The group seeks to manage or mitigate such risks wherever possible through measures including 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.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the Directors of The Shlomo Memorial Fund Limited for the purposes of Company Law) are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 Company and of the incoming resources and application of resources, including the income and expenditure, of the Charity Group for that period. Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the income and expenditure of the Group for that period. In preparing these Financial Statements, the 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 UK 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 Company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Charity Legislation. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Trustees are aware at the time of approving the Trustees' Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

AUDITORS

The auditors, Cohen Arnold, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Approved by the Trustees on 25/7/..... 2025, including, in their capacity as Company Directors, the Strategic Report contained therein.

By Order of the Trustees


.....
MR C Y KAUFMAN – TRUSTEE

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

OPINION

We have audited the financial statements of The Shlomo Memorial Fund Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 30 September 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charitable company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 about the group's or the parent charitable company'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 directors 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, 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.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company 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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

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, and determined that the most relevant to the presentation of the financial statements are those that relate to the reporting legislation (UK GAAP, the Charities Act 2011 and the Companies Act 2006), the relevant tax regulations in the United Kingdom, the Landlord and Tenant Act, the UK General Data Protection Regulation (GDPR), Health & Safety Regulations and the Bribery Act. We understood how the group is complying with those frameworks through discussion with the directors and senior management, and by identifying the group's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to the directors.
- 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 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, including how fraud might occur, by reviewing the group's identified risks and enquiry with the directors and senior management during the planning and finalisation phases of our audit. 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. Our procedures included reviewing the group's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HMRC, testing transactions outside the normal course of the business and journal entries, and discussions with the directors and senior management.

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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

- 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 group's 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 group or parent charitable company'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 group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU



JOSHUA NEUMANN
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

Our audit was completed on25/7/..... 2025 and our opinion was expressed at that date.

Cohen Arnold is eligible to act as an Auditor in terms of Section 1212 of the Companies Act 2006.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

| | Notes | 2024 Unrestricted Funds £ | 2023 Unrestricted Funds £ |
|---|-------|---------------------------------|---------------------------------|
| Income and endowments from: | | | |
| Donations and legacies | | 10,000 | - |
| Investments | 4 | 9,316,801 | 8,938,300 |
| Other Trading Activity | 5 | 826,689 | - |
| | | <hr/> | <hr/> |
| Total Income | | 10,153,490 | 8,938,300 |
| | | <hr/> | <hr/> |
| Expenditure on: | | | |
| Investment Management Costs | 6 | 8,413,853 | 7,206,806 |
| Other Trading Expenditure | 7 | 644,954 | 24,414 |
| Charitable Activities | 8 | 2,557,632 | 3,235,533 |
| | | <hr/> | <hr/> |
| Total Expenditure | | 11,616,439 | 10,466,753 |
| | | <hr/> | <hr/> |
| Gains and Losses on Investments | | | |
| Loss on Sale of Investment Properties | 12 | (316,992) | (453,967) |
| Deficit on Revaluation of Investment Properties | | (820,239) | (3,560,260) |
| | | <hr/> | <hr/> |
| Net Loss on Investments | | (1,137,231) | (4,014,227) |
| | | <hr/> | <hr/> |
| Net Expenditure before Tax | | (2,600,180) | (5,542,680) |
| | | <hr/> | <hr/> |
| Taxation – credit/(charge) | 13 | 57,116 | (163,644) |
| | | <hr/> | <hr/> |
| Net Expenditure for the Year and Net Movement in Funds | 14 | (2,543,064) | (5,706,324) |
| | | <hr/> | <hr/> |
| Reconciliation of Funds: | | | |
| Total Funds Brought Forward | | 68,944,060 | 74,650,384 |
| | | <hr/> | <hr/> |
| Total Funds Carried Forward | 23 | £66,400,996 | £68,944,060 |
| | | <hr/> <hr/> | <hr/> <hr/> |

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 16 to 32 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2024

| | <u>Notes</u> | £ | <u>2024</u> | £ | £ | <u>2023</u> | £ |
|--|--------------|-----------|--------------|---|--------------|-------------|---|
| FIXED ASSETS | | | | | | | |
| Tangible Assets | 15 | | 104,807 | | | 36,178 | |
| Investment Properties | 16 | | 128,280,770 | | | 132,720,893 | |
| | | | <hr/> | | | <hr/> | |
| | | | 128,385,577 | | | 132,757,071 | |
| CURRENT ASSETS | | | | | | | |
| Stocks | | 3,044,610 | | | | | |
| Debtors | 18 | | 6,074,692 | | 5,925,298 | | |
| Cash at Bank and on Deposit | | | 3,690,357 | | 4,086,700 | | |
| | | | <hr/> | | <hr/> | | |
| | | | 12,809,659 | | 10,011,998 | | |
| CREDITORS: Amounts falling due within one year | 19 | | (9,768,436) | | (7,398,157) | | |
| | | | <hr/> | | <hr/> | | |
| NET CURRENT ASSETS | | | 3,041,223 | | | 2,613,841 | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <hr/> | | | <hr/> | |
| | | | 131,426,800 | | | 135,370,912 | |
| CREDITORS: Amounts falling due after more than one year | 20 | | (63,390,763) | | (64,734,695) | | |
| Provisions for Liabilities & Charges | 22 | | (1,635,041) | | (1,692,157) | | |
| | | | <hr/> | | <hr/> | | |
| NET ASSETS | | | £66,400,996 | | | £68,944,060 | |
| | | | <hr/> | | | <hr/> | |
| The funds of the charitable Group: | | | | | | | |
| Unrestricted Funds | 23 | | 66,400,996 | | | 68,944,060 | |
| | | | <hr/> | | | <hr/> | |
| | | | £66,400,996 | | | £68,944,060 | |
| | | | <hr/> | | | <hr/> | |

The Trustees have prepared Group Financial Statements in accordance with Section 399 of the Companies Act 2006. These Financial Statements constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The Financial Statements were approved by the Trustees on 25/7/ 2025 and signed on their behalf by:


.....
MR C Y KAUFMAN – TRUSTEE

The notes on pages 16 to 32 form part of these Financial Statements.

THE SILOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 SEPTEMBER 2024

| | <u>Notes</u> | <u>2024</u> | | <u>2023</u> | |
|--|--------------|-------------|--------------|-------------|--------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 15 | | 72,950 | | 6,517 |
| Investment Properties | 16 | | 78,147,489 | | 81,444,893 |
| Investments | 17 | | 31,300,000 | | 32,060,000 |
| | | | <hr/> | | <hr/> |
| | | | 109,520,439 | | 113,511,410 |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 2,954,480 | | 2,273,674 | |
| Cash at Bank and on Deposit | | 69,312 | | 777,828 | |
| | | | <hr/> | | <hr/> |
| | | | 3,023,792 | | 3,051,502 |
| CREDITORS: Amounts falling due within one year | 19 | (3,375,798) | | (3,172,682) | |
| | | | <hr/> | | <hr/> |
| NET CURRENT LIABILITIES | | | (352,006) | | (121,180) |
| | | | <hr/> | | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 109,168,433 | | 113,390,230 |
| CREDITORS: Amounts falling due after more than one year | 20 | | (42,923,921) | | (44,584,453) |
| | | | <hr/> | | <hr/> |
| NET ASSETS | | | £66,244,512 | | £68,805,777 |
| | | | <hr/> | | <hr/> |
| The funds of the charitable Company: | | | | | |
| Unrestricted Funds | 23 | | 66,244,512 | | 68,805,777 |
| | | | <hr/> | | <hr/> |
| | | | £66,244,512 | | £68,805,777 |
| | | | <hr/> | | <hr/> |

The Financial Statements were approved by the Trustees and authorised for issue on ... 25/7/2025 and signed on their behalf by:


.....
MR C Y KAUFMAN – TRUSTEE

Company Registration No: 1393121

The notes on pages 16 to 32 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2024

| | <u>Notes</u> | <u>2024</u> £ | <u>2023</u> £ |
|--|--------------|--------------------|--------------------|
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | 25 | (4,665,028) | (4,301,443) |
| Cash flows from investing activities: | | | |
| Interest received | | 286,973 | 673,730 |
| Net rental income received | | 7,010,002 | 6,528,063 |
| Purchase of tangible fixed assets | | (99,083) | |
| Purchase of investment properties | | (3,033,072) | (16,330,823) |
| Proceeds from sale of investment properties | | 6,345,804 | 5,784,703 |
| Proceeds from sale of tangible fixed assets | | 500 | - |
| Net cash provided by/(used in) investing activities | | 10,511,124 | (3,344,327) |
| Cash flows from financing activities: | | | |
| Interest paid | | (6,133,546) | (4,272,318) |
| (Decrease)/Increase in bank borrowings | | (75,572) | 3,912,077 |
| (Decrease)/Increase in other loan creditors | | (49,722) | 400,465 |
| (Decrease)/Increase in finance leases | | (122) | 4,109,393 |
| Decrease in other loan debtors | | 16,523 | 1,555,402 |
| Net cash (used in)/provided by financing activities | | (6,242,439) | 5,705,019 |
| Change in cash and cash equivalents in the year | | (396,343) | (1,940,751) |
| Cash and cash equivalent at the beginning of the year | | 4,086,700 | 6,027,451 |
| Cash and cash equivalent at the end of the year | 25 | £3,690,357 | £4,086,700 |

The notes on pages 16 to 32 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. GENERAL INFORMATION

The Shlomo Memorial Fund Limited ('the Company') is a charitable company limited by guarantee and is incorporated in England and Wales. The Company's registered office is New Burlington House, 1075 Finchley Road, London NW11 0PU. The presentation currency of these Financial Statements is sterling.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

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

3. ACCOUNTING POLICIES

Basis of Preparation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The UK economy continues to face challenges due to macroeconomic and political uncertainty, including the potential for a prolonged period of higher interest rates and geopolitical risks. Therefore, the directors of The Shlomo Memorial Fund Limited group ("the group") have placed a particular focus on the group's going concern assessment and have considered the principal risks to the group including tenant defaults and increases in the cost of borrowing. This assessment has considered the various probable outcomes of these factors on the group's operations and its future financial performance over the next 12 months. The directors have also considered the likelihood of the group's loan covenants being breached in the coming 12 months and remedy packages if these covenants are breached. These risks are beyond the control of the group and represent uncertainty to the revenue and cash flow of the group for the foreseeable future.

Notwithstanding these uncertainties, the directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern and that there is no material uncertainty to this position, as the directors have a reasonable expectation that the group and the company have adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting their liabilities and commitments as they fall due.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Group Financial Statements

These Financial Statements consolidate the results of the Company and its subsidiaries on a line-by-line basis. A separate statement of financial activities or income and expenditure account dealing with the results of the Company only has not been presented in accordance with Section 408 of the Companies Act 2006.

Judgements and Key Sources of Estimation Uncertainty

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

i. Property valuations

The valuation of the group's property portfolio is inherently subjective, depending on many factors, including the individual nature of the property, its location and expected future net rental values, market yields and comparable market transactions. Therefore the valuation is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. **ACCOUNTING POLICIES (Continued)**

Judgements and Key Sources of Estimation Uncertainty (Continued)

ii. Debtors

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

Income

All donations are recognised in the Statement of Financial Activities (SOFA) of the Company when it has unconditional entitlement to the resources. Donations represent voluntary amounts received during the year.

All other income is recognised on a receivable basis. This includes income from investments and deposits, rentals from property assets, income from the provision of care home facilities and grants and donations received by the Group.

Investment Management Costs

Investment management costs include costs relating to the investment properties on an accruals basis.

Governance Costs

Governance costs include costs of the preparation and audit of financial statements and the costs of any legal advice to Trustees on governance or constitutional matters and is recognised on an accruals basis.

Taxation

The Company is not liable to direct taxation on its income and gains as they fall within the various exemptions available to registered charities. The subsidiary undertakings are subject to Corporation Tax but it is expected that their taxable profits will be gifted for charitable purposes and therefore no tax liability should arise.

Notwithstanding the above, deferred tax is recognised in respect of all timing differences present in the non-charitable subsidiary undertakings. 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.

Liability Recognition

Liabilities are recognised as soon as there is a present obligation committing the entity to pay out resources, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured or estimated reliably.

Fund Accounting

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

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

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

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

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

| | |
|----------------------|-----------------------|
| Plant & Machinery | -25% reducing balance |
| Furniture & Fittings | -25% reducing balance |
| Motor Vehicles | -25% reducing balance |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

3. **ACCOUNTING POLICIES (Continued)**

Properties Held for Investment

Properties classified as investments are included in the Balance Sheet at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities. In accordance with FRS 102, no depreciation or amortisation is provided in respect of freehold or long-leasehold investment properties.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

The group's interests in some of its investment properties are in the form of long and short leases as opposed to freehold ownership. The group recognises as liabilities amounts payable under head leases and a corresponding leased asset, which is included in investment property. These leased investment properties are initially recorded at the present value of the remaining lease payments and are then subsequently carried at fair value. In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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.

Investment in Subsidiary Undertakings

Shareholdings acquired are included in the Financial Statements at fair value; any surplus or deficit on revaluation is taken to the SOFA.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes the purchase price of land, development and construction costs and attributable overheads directly related to bringing the stock to its present location and condition. Borrowing costs are expensed as incurred and are not capitalised as part of stocks. Stocks are recognised as an expense in the period in which the related revenue is recognised. Provision is made, where necessary, for any foreseeable losses and impairment in value.

Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities.

Basic Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

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

Trade and other creditors

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

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. INVESTMENT INCOME

| | <u>2024</u> | <u>2023</u> |
|-----------------------------------|---------------------------|-------------|
| | <u>Unrestricted Funds</u> | |
| | £ | £ |
| Income from Investment Properties | 8,921,820 | 8,445,667 |
| Interest Receivable | 394,981 | 492,633 |
| | 9,316,801 | 8,938,300 |

All investment income is derived from UK investments.

5. OTHER TRADING ACTIVITY

| | <u>2024</u> | <u>2023</u> |
|----------------------|---------------------------|-------------|
| | <u>Unrestricted Funds</u> | |
| | £ | £ |
| Other Trading Income | 826,689 | - |
| | 826,689 | - |

Other Trading Income relates to the proceeds from the sale of developed residential property.

6. INVESTMENT MANAGEMENT COSTS

| | <u>2024</u> | <u>2023</u> |
|-------------------------------|---------------------------|-------------|
| | <u>Unrestricted Funds</u> | |
| | £ | £ |
| Investment Property Outgoings | 1,911,818 | 1,917,604 |
| Management and Administration | 407,201 | 598,990 |
| Interest Payable | 6,094,834 | 4,690,212 |
| | 8,413,853 | 7,206,806 |

7. OTHER TRADING EXPENDITURE

| | <u>2024</u> | <u>2023</u> |
|---------------------------|---------------------------|-------------|
| | <u>Unrestricted Funds</u> | |
| | £ | £ |
| Other Trading Expenditure | 644,954 | 24,414 |
| | 644,954 | 24,414 |

Other Trading Expenditure includes £631,747 (2023: £Nil) relating to land acquisition and property construction for resale; and £13,207 (2023: £24,414) relating to the cost of providing care home facilities operated by the Group.

8. EXPENDITURE ON CHARITABLE ACTIVITIES

| | <u>2024</u> | <u>2023</u> |
|-----------------------------------|---------------------------|-------------|
| | <u>Unrestricted Funds</u> | |
| | £ | £ |
| Grant funding activities (Note 9) | 2,465,200 | 3,164,280 |
| Governance costs (Note 10) | 92,432 | 71,253 |
| | 2,557,632 | 3,235,533 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

9. GRANTS AND DONATIONS

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

The following donations were made during the year ended 30 September 2024:

| Recipients of Institutional Grants | £ |
|--|-------------------|
| Ziv Hakehilla | 371,500 |
| Layesharim Tehilla | 259,500 |
| Reshet Mosdot Bakrayot Hadatiyot | 94,400 |
| Beer Ha'olam | 89,150 |
| Chaim Vuchessed Organisation | 85,000 |
| Yad Tomechet LeNizkac Batzafon | 59,250 |
| Kupat Tzdaka Leman Aniyei Ramat Bet Shemesh | 58,000 |
| Keren Zichron Shlomo Eretz Yisroel | 51,500 |
| Lehava Shel Torah | 49,500 |
| Meor HaTorah | 49,500 |
| Bereshit | 48,000 |
| Arucha Chama Bechol Yom | 45,000 |
| Yachad Leman Kol Echod Vechod | 45,000 |
| Izkor | 43,500 |
| Keren Professor Enrico Venachama Batya Levi | 42,000 |
| Ohr Chana | 40,000 |
| Shaarei Tehilla | 40,000 |
| Tehillas Shlomo | 36,900 |
| Mimamakim Chesed uMarpeh | 36,000 |
| Ateret Avot | 34,000 |
| Peer Avot | 34,000 |
| Bnei Banim Mosdot Torah Vechinuch | 32,400 |
| Dorshi Tzion Elit | 32,000 |
| Kollel Marsham | 32,000 |
| Beit Vaad Lelimud Vedaat Chaim | 31,000 |
| Bnei Hayeshivot | 31,000 |
| Mosdot Tora Vadaat Jerusalem and Bet Shemesh | 31,000 |
| Shaarei Limud | 31,000 |
| Birkat Horai | 30,000 |
| Hitachdut Shem Olam Bet Shemesh | 30,000 |
| Kollel Yeshivas Yosef Chaim | 30,000 |
| | <hr/> |
| | 1,922,100 |
| Other donations (below £30,000) | 543,100 |
| | <hr/> |
| | £2,465,200 |
| | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

10. ANALYSIS OF GOVERNANCE COSTS

| | <u>2024</u> | <u>2023</u> |
|-----------------------------|----------------|---------------|
| | £ | £ |
| Auditor's remuneration | 46,000 | 50,000 |
| Bookkeeping fees | 6,009 | 6,932 |
| Bank charges | 528 | 2,749 |
| Legal and professional fees | 39,692 | 10,168 |
| General expenses | 203 | 1,404 |
| | <u>£92,432</u> | <u>71,253</u> |
| | <u>£92,432</u> | <u>71,253</u> |

11. STAFF COSTS AND EMOLUMENTS

| | <u>2024</u> | <u>2023</u> |
|---|---------------------------|----------------|
| | Unrestricted Funds | |
| | £ | £ |
| The aggregate payroll costs for the Group were: | | |
| Wages and salaries | 302,659 | 268,583 |
| Social security | 32,411 | 18,688 |
| | <u>335,070</u> | <u>287,271</u> |
| | <u>335,070</u> | <u>287,271</u> |

The average number of staff employed by the Group during the financial year amounted to:

| | <u>2024</u> | <u>2023</u> |
|--------------------------------|-------------|-------------|
| Number of administrative staff | 8 | 8 |
| | <u>8</u> | <u>8</u> |
| | <u>8</u> | <u>8</u> |

12. LOSS ON SALE OF INVESTMENT PROPERTIES

| | <u>2024</u> | <u>2023</u> |
|-------------------------------|---------------------------|------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net sale proceeds | 6,335,964 | 5,784,703 |
| Book value of properties sold | (6,652,956) | (6,238,670) |
| | <u>(316,992)</u> | <u>(453,967)</u> |
| | <u>(316,992)</u> | <u>(453,967)</u> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

13. TAXATION

Major components of tax expense

| | <u>2024</u> | <u>2023</u> |
|--|-----------------------------|-----------------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Current tax: | | |
| Current year | - | - |
| | <u> </u> | <u> </u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | (57,116) | 163,644 |
| Impact of change in tax rate | - | - |
| | <u> </u> | <u> </u> |
| | (57,116) | 163,644 |
| | <u> </u> | <u> </u> |
| Tax (credit)/charge | <u> </u> | <u> </u> |
| | (57,116) | 163,644 |

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

Reconciliation of tax expense

The tax assessed on the net expenditure for the year is lower than the standard rate of corporation tax in the UK of 25% (2023: 22%).

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------------|-----------------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net expenditure before tax | (2,600,180) | (5,542,680) |
| | <u> </u> | <u> </u> |
| Net income by rate of tax | (650,045) | (1,219,389) |
| Income and gains exempt from tax | 651,566 | 1,608,303 |
| Expenses not deductible for tax | 750 | 17,998 |
| Effect of capital allowance and depreciation | (1,425) | 22,487 |
| Timing difference on unrealised gains | (46,916) | (204,096) |
| Unused tax losses carried forward | 88,308 | 1,568 |
| Timing difference on gift aid | (115,345) | (120,426) |
| Difference between chargeable gains and profit on sale of investment properties | 22,936 | 55,894 |
| Other differences | (6,945) | 1,305 |
| | <u> </u> | <u> </u> |
| Taxation (credit)/charge | <u> </u> | <u> </u> |
| | (57,116) | 163,644 |

The deferred tax liability at 30 September 2024 has been calculated based on the rate of 25% (2023: 25%).

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

14. NET MOVEMENT IN FUNDS

This is stated after charging the Group:

| | <u>2024</u> | <u>2023</u> |
|--------------------------------------|---------------------------|-------------|
| | <u>Unrestricted Funds</u> | |
| Auditor' Remuneration | | |
| Audit fees - Charity | £46,000 | £50,000 |
| Audit fees – Subsidiary undertakings | £69,600 | £73,600 |
| Other fees | £9,450 | - |
| Depreciation | £30,088 | £118,412 |
| | £155,148 | £242,612 |

No salaries or wages or other benefits have been paid to the Trustees during the year.

The Company did not meet any individual expenses incurred by the Trustees for services provided to the Company.

Of the Net Movement in Funds of the Group, a Net Deficit of £2,561,265 (2023: £ 5,860,470) has been dealt with in the Statement of Financial Activities of the Company itself.

15. TANGIBLE FIXED ASSETS

| THE GROUP | <u>Plant & Machinery</u> | <u>Furniture & Fittings</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|-----------------------|----------------------------------|-------------------------------------|---------------------------|--------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 October 2023 | 440,682 | 50,071 | 31,172 | 521,925 |
| Additions | 90,750 | - | 8,333 | 99,083 |
| Disposals | (88,211) | - | - | (88,211) |
| | 443,221 | 50,071 | 39,505 | 532,797 |
| Depreciation | | | | |
| At 1 October 2023 | 425,763 | 41,766 | 18,218 | 485,747 |
| Charge for the Year | 23,358 | 2,076 | 4,654 | 30,088 |
| Disposals | (87,845) | - | - | (87,845) |
| | 361,276 | 43,842 | 22,872 | 427,990 |
| Net Book Value | | | | |
| At 30 September 2024 | 81,945 | 6,229 | 16,633 | 104,807 |
| At 30 September 2023 | 14,919 | 8,305 | 12,954 | 36,178 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

15. TANGIBLE FIXED ASSETS (Continued)

| THE COMPANY | <u>Plant & Machinery</u> £ | <u>Fixtures & Fittings</u> £ | <u>Total</u> £ |
|-----------------------|---------------------------------------|---|-------------------|
| Cost | | | |
| At 1 October 2023 | - | 40,490 | 40,490 |
| Additions | 90,750 | - | 90,750 |
| | <u>90,750</u> | <u>40,490</u> | <u>131,240</u> |
| At 30 September 2024 | 90,750 | 40,490 | 131,240 |
| Depreciation | | | |
| At 1 October 2023 | - | 33,973 | 33,973 |
| Charge for the Year | 22,688 | 1,629 | 24,317 |
| | <u>22,688</u> | <u>35,602</u> | <u>58,290</u> |
| At 30 September 2024 | 22,688 | 35,602 | 58,290 |
| Net Book Value | | | |
| At 30 September 2024 | <u>68,062</u> | <u>4,888</u> | <u>72,950</u> |
| At 30 September 2023 | - | 6,517 | 6,517 |

16. INVESTMENT PROPERTIES

| THE GROUP | <u>Freehold Investment Properties</u> £ | <u>Leasehold Investment Properties</u> £ | <u>Total</u> £ |
|----------------------|--|---|--------------------|
| Fair value | | | |
| At 1 October 2023 | 119,817,893 | 12,903,000 | 132,720,893 |
| Additions | 3,025,490 | 7,582 | 3,033,072 |
| Disposals | (6,492,956) | (160,000) | (6,652,956) |
| Revaluation | (1,412,657) | 592,418 | (820,239) |
| | <u>114,937,770</u> | <u>13,343,000</u> | <u>128,280,770</u> |
| At 30 September 2024 | 114,937,770 | 13,343,000 | 128,280,770 |

Investment properties are stated at fair value as at 30 September 2024.

Tangible assets held at valuation

The Group's investment properties were valued by the directors as at 30 September 2024 based on a recent professional valuation, using a sales valuation approach, derived from recent comparable transactions and market yields, adjusted by applying discount to reflect status of occupation and conditions.

The aggregate valuations included in the above table have been increased by an amount of £4,109,271 relating to finance lease assets, with the corresponding liability shown in creditors.

The historical cost of the group's investment properties at 30 September 2024 is £106,311,251 (2023: £107,463,630).

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

16. INVESTMENT PROPERTIES (Continued)

| THE COMPANY | <u>Freehold Investment Properties</u> £ | <u>Leasehold Investment Properties</u> £ | <u>Total</u> £ |
|----------------------|--|---|-------------------|
| Fair value | | | |
| At 1 October 2023 | 72,619,893 | 8,825,000 | 81,444,893 |
| Additions | 944,284 | - | 944,284 |
| Disposals | (3,302,250) | (160,000) | (3,462,250) |
| Revaluation | (779,438) | - | (779,438) |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2024 | 69,482,489 | 8,665,000 | 78,147,489 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The Company's investment properties were valued by the directors as at 30 September 2024 based on a recent professional valuation, using a sales valuation approach, derived from recent comparable transactions and market yields, adjusted by applying discount to reflect status of occupation and conditions.

The historical cost of the Company's investment properties at 30 September 2024 is £77,245,237 (2023: £78,733,416).

All the Company's investment properties were held in the UK.

17. INVESTMENTS

THE COMPANY

| | At 30 September 2024 | Revaluation | At 1 October 2023 |
|-------------------------|-------------------------|-------------|----------------------|
| Investment in | | | |
| Subsidiary Undertakings | £31,300,000 | £(760,000) | £32,060,000 |
| | <hr/> | <hr/> | <hr/> |

- a) The Company owns directly or indirectly the whole of the issued ordinary share capital in the following companies, all of which are incorporated in Great Britain and registered in England and Wales.

Directly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|-----------------|------------------------------------|
| Hartons Limited | 04572804 |
| Neranen Limited | 09667377 |
| Olnato Limited | 01446600 |
| Weymer Limited | 04572794 |

Indirectly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|--|------------------------------------|
| Cloudpress Limited | 04592197 |
| Paramount Care (Gateshead) Limited | 07959750 |
| Paramount Care Services (Gateshead) Limited | 07959737 |
| Primebourne Associates Limited (<i>acquired in year</i>) | 02292653 |
| Smart Mortgage Finance Limited | 05628260 |
| Talten Business Park Limited | 02942606 |
| The More Centre (Gateshead) Limited | 08302096 |
| Viewplus Limited | 08276273 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

17. **INVESTMENTS (Continued)**

- b) The fair value at 30 September 2024 of the Investment in the Subsidiary Undertakings is based on the underlying value of assets less liabilities of those companies. All of the investment properties held by these Subsidiary Undertakings were valued by the directors based on a recent professional valuation by an independent valuer.

The Company has made no provision for any latent liability to Corporation Tax on unrealised surpluses resulting from the revaluations. It is anticipated that most, if not all, realised surpluses would be applied for the benefit of this Company's charitable purposes and that little, if any, tax liability would arise.

The historical cost of the Company's Investment in Subsidiary Undertakings is £9.

- c) The Financial Statements of the Subsidiary Undertakings are made up annually to September except for Cloudpress Limited, Talten Business Park Limited and Primebourne Associates Limited which are made up annually to December.

The Financial Statements of the Subsidiary Undertakings, whose Financial Statements are non-coterminous with those of the Company, used in preparing the Consolidated Financial Statements, have been prepared as of the reporting date closest to that of the Company.

A summary of turnover and profit or loss for the year is shown below for each subsidiary undertaking:

| <u>Company</u> | <u>Year Ended</u> | <u>Turnover</u> £ | <u>Net Profit/ (Loss) for year</u> £ |
|---|-------------------|----------------------|---|
| Cloudpress Ltd | 31.12.24 | 80,021 | (34,918) |
| Hartons Ltd | 30.09.24 | 233,342 | 503,096 |
| Neranen Ltd | 30.09.24 | 1,399,135 | (731,149) |
| Olnato Ltd | 30.09.24 | 1,169,139 | (91,306) |
| Paramount Care (Gateshead) Ltd | 30.09.24 | - | (20,748) |
| Paramount Care Services (Gateshead) Ltd | 30.09.24 | - | - |
| Primebourne Associates Ltd | 31.12.24 | 826,689 | 6,096 |
| Smart Mortgage Finance Ltd | 30.09.24 | 321,545 | 2,039 |
| Talten Business Park Ltd | 31.12.24 | 24,700 | (34,795) |
| The More Centre (Gateshead) Ltd | 30.09.24 | - | - |
| Viewplus Ltd | 30.09.24 | - | (361,040) |
| Weymer Ltd | 30.09.24 | - | - |

The assets, liabilities, capital and reserves of the subsidiary undertakings are as follows:

| <u>Company</u> | <u>Balance Sheet Date</u> | <u>Assets</u> £ | <u>Liabilities</u> £ | <u>Capital & Reserves/ (Deficit)</u> £ |
|--|---------------------------|--------------------|-------------------------|---|
| Cloudpress Ltd | 31.12.24 | 2,346,963 | (1,793,146) | 553,817 |
| Hartons Ltd | 30.09.24 | 3,154,981 | (1,824,876) | 1,330,105 |
| Neranen Ltd | 30.09.24 | 17,365,593 | (14,233,547) | 3,132,046 |
| Olnato Ltd | 30.09.24 | 39,026,082 | (13,153,764) | 25,872,318 |
| Paramount Care (Gateshead) Ltd | 30.09.24 | 138,059 | (372,138) | (234,079) |
| Paramount Care Services- (Gateshead) Ltd | 30.09.24 | - | (316) | (316) |
| Primebourne Associates Ltd | 31.12.24 | 3,152,608 | (3,146,512) | 6,096 |
| Smart Mortgage Finance Ltd | 30.09.24 | 2,121,786 | (2,109,325) | 12,461 |
| Talten Business Park Ltd | 31.12.24 | 4,004,023 | (2,573,231) | 1,430,792 |
| The More Centre (Gateshead) Ltd | 30.09.24 | 14,364 | (235,599) | (221,235) |
| Viewplus Ltd | 30.09.24 | 7,598,130 | (7,034,270) | 563,860 |
| Weymer Ltd | 30.09.24 | 134,002 | (150,126) | (16,124) |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. DEBTORS

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------|------------------|------------------|--------------------|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | £ | £ | £ | £ |
| Rent and Service Charges | 2,720,721 | 2,787,585 | 2,253,499 | 2,268,285 |
| Other Debtors and Prepayments | 631,587 | 398,806 | 36,981 | 5,389 |
| Loan Debtors | 2,722,384 | 2,738,907 | 664,000 | - |
| | <u>6,074,692</u> | <u>5,925,298</u> | <u>2,954,480</u> | <u>2,273,674</u> |

Loan debtors are sterling loans which bear interest at various interest rates ranging from 5.5% to 6.5% per annum and are repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>The Group</u> | | <u>The Company</u> | |
|---|------------------|------------------|--------------------|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | £ | £ | £ | £ |
| Bank Loans and Overdrafts | 4,883,515 | 3,665,004 | - | - |
| Amounts owed to Group Undertakings | - | - | 442,375 | 1,119,423 |
| Rent and Service Charges in Advance | 1,092,648 | 802,312 | 645,029 | 582,854 |
| Taxation and Social Security Obligations under Finance | 954,676 | 528,363 | 523,414 | 186,755 |
| Lease Agreements (see note 27) | 127 | 122 | 127 | 122 |
| Other Creditors and Accruals | 2,837,470 | 2,402,356 | 1,764,853 | 1,283,528 |
| | <u>9,768,436</u> | <u>7,398,157</u> | <u>3,375,798</u> | <u>3,172,682</u> |

The Bank Loans and Overdrafts are secured on certain of the Group's properties.

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

| | <u>The Group</u> | | <u>The Company</u> | |
|---|-------------------|-------------------|--------------------|-------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | £ | £ | £ | £ |
| Bank Loans | 58,652,398 | 59,946,481 | 38,500,667 | 40,090,182 |
| Loan Creditors (see below) | 629,221 | 678,943 | 314,110 | 385,000 |
| Obligations under Finance Lease Agreements (see note 27) | 4,109,144 | 4,109,271 | 4,109,144 | 4,109,271 |
| | <u>63,390,763</u> | <u>64,734,695</u> | <u>42,923,921</u> | <u>44,584,453</u> |

The Loan Creditors comprise a sterling loan of £315,111 bearing interest at 5% per annum above base rate and repayable in December 2025 and another loan of £314,110 which bears interest at 6% per annum and is repayable in June 2038.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

21. **BANK LOANS**

Bank Loans, included in Creditors falling due after more than one year, are analysed as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | £ | £ | £ | £ |
| Repayable within 5 years | 60,453,760 | 58,982,141 | 38,500,667 | 40,090,182 |
| Repayable after 5 years | 3,082,153 | 4,629,344 | - | - |
| | <u>63,535,913</u> | <u>63,611,485</u> | <u>38,500,667</u> | <u>40,090,182</u> |
| Less Amounts Repayable within 1 year | (4,883,515) | (3,665,004) | - | - |
| | <u>58,652,398</u> | <u>59,946,481</u> | <u>38,500,667</u> | <u>40,090,182</u> |

Details of loans repayable after 5 years are as follows:

| <u>Loans</u> | <u>Terminating in</u> | <u>Interest Rate</u> | <u>The Group</u> | | <u>The Company</u> | |
|--------------|-----------------------|---|------------------|------------------|--------------------|-------------|
| | | | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | | | £ | £ | £ | £ |
| | 2028 | 2.75% above Unity Bank Base Rate | - | 1,436,447 | - | - |
| | 2030 | 3.00% above Bank Base Rate (subject to a Minimum of 3%) | 3,082,153 | 3,192,897 | - | - |
| | | | <u>3,082,153</u> | <u>4,629,344</u> | <u>-</u> | <u>-</u> |

The Bank Loans and Mortgages are secured by legal charges over certain of the properties of the group.

22. **PROVISION FOR LIABILITIES & CHARGES**

| | <u>2024</u> | <u>2023</u> |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Balance at the beginning of the year | 1,692,157 | 1,528,513 |
| (Credit)/Charge for the year | (57,116) | 163,644 |
| Balance at the end of the year | <u>1,635,041</u> | <u>1,692,157</u> |

Deferred tax is recognised in respect of timing differences from the revaluation of assets classified as investments in the non-charitable subsidiary undertakings. Although the provision has been recognised in accordance with FRS 102, it is expected that any realised surpluses will be applied solely for charitable purposes and such tax should not become payable.

Deferred tax has not been recognised in respect of revaluation of investments by the parent Company on the basis that all such gains will be applied for charitable purposes.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

23. **UNRESTRICTED FUNDS**

| The Group | £ |
|--------------------------------|--------------|
| Balance at 1 October 2023 | 68,944,060 |
| Total Income for the year | 10,153,490 |
| Total Expenditure for the year | (11,616,439) |
| Net Losses on Investments | (1,137,231) |
| Taxation – credit | 57,116 |
| | <hr/> |
| Balance at 30 September 2024 | 66,400,996 |
| | <hr/> <hr/> |
| The Company | £ |
| Balance at 1 October 2023 | 68,805,777 |
| Total Income for the year | 6,940,947 |
| Total Expenditure for the year | (7,737,524) |
| Net Losses on Investments | (1,764,688) |
| | <hr/> |
| Balance at 30 September 2024 | 66,244,512 |
| | <hr/> <hr/> |

24. **FINANCIAL INSTRUMENTS**

| | <u>The Group</u> | | <u>The Company</u> | |
|--|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | £ | £ | £ | £ |
| <i>Financial assets measured at fair value through income and expenditure:</i> | | | | |
| Unlisted investment (Note 17) | - | - | 31,300,000 | 32,060,000 |
| <i>Financial assets measured at amortised cost:</i> | | | | |
| Debtors (Note 18) | 6,074,692 | 5,925,298 | 2,954,480 | 2,273,674 |
| Cash at bank | 3,690,357 | 4,086,700 | 69,312 | 777,828 |
| <i>Financial liabilities measured at amortised cost:</i> | | | | |
| Creditors (Notes 19 & 20) | 73,159,199 | 72,132,852 | 46,299,719 | 47,757,135 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

25. **NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

Reconciliation of net income to net cash flow from operating activities

| | <u>2024</u> £ | <u>2023</u> £ |
|--|--------------------|--------------------|
| Net expenditure for the year | (2,543,064) | (5,706,324) |
| Adjustment for: | | |
| Depreciation | 30,088 | 118,412 |
| (Surplus)/loss on sale of fixed assets | (134) | 1,769 |
| Interest receivable | (394,981) | (492,633) |
| Net rental income receivable | (7,010,002) | (6,528,063) |
| Interest payable | 6,094,834 | 4,690,212 |
| Taxation | (57,116) | 163,644 |
| Losses on investment assets | 1,137,231 | 4,014,227 |
| Increase in stocks | (3,044,610) | - |
| Increase in debtors | (57,909) | (299,735) |
| Increase/(decrease) in creditors | 1,180,635 | (262,952) |
| | <u>(4,665,028)</u> | <u>(4,301,443)</u> |
| Tax paid | - | - |
| Net cash used in operating activities | <u>(4,665,028)</u> | <u>(4,301,443)</u> |

Analysis of cash and cash equivalents

| | <u>2024</u> £ | <u>2023</u> £ |
|--|------------------|------------------|
| Cash at bank and in hand | 3,690,357 | 4,086,700 |
| Bank overdrafts | - | - |
| Total cash and cash equivalents | <u>3,690,357</u> | <u>4,086,700</u> |

Analysis of changes in net debt

| | At 1 October 2023 £ | Cash Flows £ | At 30 September 2024 £ |
|---------------------------|------------------------------|--------------------|---------------------------------|
| Cash and cash equivalents | 4,086,700 | (396,343) | 3,690,357 |
| Bank borrowings | (63,611,485) | 75,572 | (63,535,913) |
| Finance lease agreements | (4,109,271) | 122 | (4,109,271) |
| Loan debtors | 2,738,907 | (16,523) | 2,722,384 |
| Loan creditors | (678,943) | 49,722 | (629,221) |
| | <u>(61,574,092)</u> | <u>(287,450)</u> | <u>(61,861,664)</u> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

26. COMMITMENTS UNDER OPERATING LEASES

As Lessee:

At the Balance Sheet date, future minimum lease payments payable by the group under non-cancellable operating leases were as follows:

| | <u>2024</u> | <u>2023</u> |
|----------------------|-------------------|-------------------|
| | £ | £ |
| Within one year | 239,595 | 239,594 |
| In two to five years | 958,379 | 958,380 |
| More than five years | 13,231,174 | 13,473,400 |
| | <u>14,429,148</u> | <u>14,671,374</u> |

As Lessor:

At the Balance Sheet date, future minimum lease payments payable to the group under non-cancellable operating leases were as follows:

| | <u>2024</u> | <u>2023</u> |
|----------------------|-------------------|-------------------|
| | £ | £ |
| Within one year | 5,463,582 | 5,264,997 |
| In two to five years | 14,166,812 | 14,808,781 |
| More than five years | 23,896,144 | 25,981,183 |
| | <u>43,526,538</u> | <u>46,054,961</u> |

27. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements payable by the Group are as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| | £ | £ |
| Amounts payable within 1 year | 184,624 | 184,624 |
| Amounts payable between 2 and 5 years | 738,496 | 738,496 |
| Amounts payable after more than 5 years | 29,678,308 | 29,862,932 |
| | <u>30,601,428</u> | <u>30,786,052</u> |
| Less: future finance charges | (26,492,157) | (26,676,659) |
| Present value of minimum lease payments | <u>4,109,271</u> | <u>4,109,393</u> |

28. CONTINGENT LIABILITIES AND GUARANTEES

The Group has provided guarantees totalling £59m in respect of loan facilities granted to certain Group companies. The balance outstanding on these facilities at 30 September 2024 aggregated £51.6m (2023: £56.5m).

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

29. RELATED PARTY TRANSACTIONS

During the year the Company received gift aid donations aggregating £805k (2023: £1.07m) from certain of its subsidiary undertakings.

During the year the Company sold land for £373k to its subsidiary undertaking, Primebourne Associates Limited.

Other than the above, there were no related party transactions that require disclosure under the Charities SORP (FRS 102).

30. CONTROL

The Company, which is incorporated for charitable purposes, has no controlling party.

THE SHLOMO MEMORIAL FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2024 Unrestricted Funds £ | 2023 Unrestricted Funds £ |
|--|---------------------------------|---------------------------------|
| Income and endowments from: | | |
| Donations and legacies | 815,000 | 1,070,000 |
| Investments | 6,125,947 | 5,792,372 |
| | <hr/> | <hr/> |
| Total Income | 6,940,947 | 6,862,372 |
| | <hr/> | <hr/> |
| Expenditure on: | | |
| Investment Management Costs | 5,179,892 | 4,435,669 |
| Charitable Activities | | |
| Grants and Donations | 2,465,200 | 3,164,280 |
| Governance Costs | 92,432 | 71,253 |
| | <hr/> | <hr/> |
| Total Expenditure | 7,737,524 | 7,671,202 |
| | <hr/> | <hr/> |
| Gains and Losses on Investments | | |
| Loss on Sale of Investment Properties | (225,250) | (4,729) |
| Deficit on Revaluation of Investment Properties | (779,438) | (5,426,911) |
| (Deficit)/surplus on Revaluation of Subsidiary Undertakings | (760,000) | 380,000 |
| | <hr/> | <hr/> |
| Net Losses on Investments | (1,764,688) | (5,051,640) |
| | <hr/> | <hr/> |
| Net Deficit for the Year and Net Movements of Funds | (2,561,265) | (5,860,470) |
| | <hr/> | <hr/> |
| Total Funds Brought Forward | 68,805,777 | 74,666,247 |
| | <hr/> | <hr/> |
| Total Funds Carried Forward | £66,244,512 | 68,805,777 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2024 | | 2023 | |
|---------------------------------------|---------|--------------------|---------|--------------------|
| | £ | £ | £ | £ |
| Rents and Charges Receivable | | 6,062,863 | | 5,756,460 |
| Deduct: Property outgoings | | | | |
| Rents | 97,250 | | 104,814 | |
| Rates | 40,429 | | 31,020 | |
| Repairs | 162,479 | | 184,026 | |
| Light and Heat | 447,451 | | 445,173 | |
| Porterage and Cleaning | 34,996 | | 24,549 | |
| Insurance | 189,125 | | 239,630 | |
| Service Charges | 30,775 | | 21,739 | |
| Security | 59,524 | | 70,326 | |
| Legal and Professional Charges | 66,541 | | 44,666 | |
| Management Commission | 338,114 | | 329,133 | |
| Letting Fees | 28,217 | | 19,910 | |
| Depreciation -- Furniture & Equipment | 24,317 | | 2,172 | |
| | | <u>(1,519,218)</u> | | <u>(1,517,158)</u> |
| | | <u>4,543,645</u> | | <u>4,239,302</u> |

SHLOMO MEMORIAL FUND LIMITED

England & Wales - Charity number 278973

Accounts

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

Company No: 1393121

FINANCIAL STATEMENTS

for the year ended

30 SEPTEMBER 2023

COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NAME: The Shlomo Memorial Fund Limited

STATUS: Incorporated: 9th October 1978
Registered Charity Number: 278973
Company Registration Number: 1393121

CHARITY TRUSTEES: Mr E Kleinerman
Mrs C Lopian
Mr A Toporowitz
Mr H Toporowitz
Mr C Y Kaufman
Mr M Y Sulam
Mrs E Hoffner

SECRETARY: Mrs C Lopian

PRINCIPAL OFFICE: 11 Bury New Road
Manchester
M25 9JZ

REGISTERED OFFICE: New Burlington House
1075 Finchley Road
LONDON NW11 0PU

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

PRINCIPAL BANKERS: NatWest Bank Plc
Stockton On Tees
Leeds Customer Service Centre
1 Victoria Place
Holbeck
LS11 5AN

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

The Trustees, who are also directors for the purposes of Company Law, have pleasure in presenting their Report, including a Strategic Report, together with the Consolidated Financial Statements of the Parent Charitable Company ('the Company') and its Subsidiary Undertakings for the year ended 30 September 2023.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and Administrative details of the Company are shown on page 1 of the Financial Statements which forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Shlomo Memorial Fund Limited is a Company limited by guarantee and its governing documents are its Memorandum and Articles of Association. It is a registered charity with the Charity Commission.

Organisation

The Company is administered by the Trustees. The Articles of Association of the Company do not require the Trustees to retire by rotation.

The day to day affairs of the Company are administered by the Trustees, the Chairman of which is Mr A Toporowitz.

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

Appointment of Trustees

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

Group Structure and Relationships

The Company has the following wholly owned non-charitable subsidiary undertakings:

| <u>Company</u> | <u>Nature of Business</u> |
|-----------------------|----------------------------------|
| Hartons Limited | Property Investment |
| Neranen Limited | Property Investment |
| Olnato Limited | Property Investment |
| Weymer Limited | Investment Company |

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Group Structure and Relationships (Continued)

Olnato Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|--------------------------------|----------------------------------|
| Cloudpress Limited | Property Investment |
| Smart Mortgage Finance Limited | Provision of Finance |
| Talten Business Park Limited | Property Investment |
| Viewplus Limited | Property Investment |

Viewplus Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|---|-----------------------------------|
| Paramount Care (Gateshead) Limited | Provision of Care Home facilities |
| Paramount Care Services (Gateshead) Limited | Dormant |
| The More Centre (Gateshead) Limited | Provision of Day Care facilities |

The Trustees of this Company include directors of the above companies.

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

OBJECTIVES AND ACTIVITIES FOR THE BENEFIT OF THE PUBLIC

The Company is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law and in furtherance of the aforementioned objects, the Company receives income from its investment properties, cash deposits and subsidiary undertakings which it utilises in the provision and distribution of grants and donations for charitable purposes to organisations that fall within the objectives of the Company. It has concentrated its activities in promoting charitable activities of institutions teaching the principles of traditional Judaism, and the giving of philanthropic aid to the needy.

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

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the Charity. The Trustees are approached for donations by a wide variety of charitable institutions operating in the United Kingdom and abroad. The Trustees consider all requests which they receive and make donations based on the level of funds available.

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 15 to 17 to the Financial Statements.

STRATEGIC REPORT

Strategy and Business Model

The Company invests in investment properties, cash deposits and investments in Subsidiary Undertakings to generate income with which it makes grants and donations to Charitable Organisations and Institutions that fall within the objectives of the Company.

Achievements and Performance

During the year the Company has continued its philanthropic activities and has maintained its support of organisations engaging in education, advancement of religion and the giving of philanthropic aid. The reserves remain available to organisations engaging in activities compatible with the aims and objectives of the Company. The Trustees expect such demands to increase in future years.

The financial results of the Company and its Subsidiary Undertakings for the year ended 30 September 2023 are fully reflected in the attached Financial Statements together with the Notes thereon.

Grants and donations in the year totalled £3,164,280 (2022: £2,805,360).

Financial Review

Financial Position

The financial position of the Company and its subsidiary undertakings is satisfactory.

The Company's Consolidated Statement of Financial Activities shows a Net Loss for the year of £5,706,324 (2022: Net Income £2,962,360) and total reserves of £68,944,060 (2022: £74,650,384).

Reserves Policy

The reserves of the Company are represented by the unrestricted funds arising from past net operating surpluses and include a reserve arising from the unrealised movement in the value of the Company's investment in subsidiary undertakings and its investment properties. By its very nature the element of unrestricted reserves represented by the revaluation surplus of fixed asset investments is not readily available for distribution. The Trustees have adopted a policy that tries to ensure the continuing ability of the Company to meet its objectives. A proportion of reserves are to be invested to generate income at a level, such that the ever-increasing calls on the Company can be met by self-generated income. The level of reserves is under continuous strategic review.

Principal Funding Sources

The Company's principal funding sources in the year were its investment portfolio, together with donations received from subsidiary undertakings.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Financial Review (Continued)

Investment Policy

Under the Memorandum and Articles of Association, the Company has the power to make investments which the Trustees consider appropriate. The Trustees effect investments which, over a medium period of years are anticipated to generate a dependable flow of income coupled with capital growth. The Company's investments are represented by its investment properties and its wholly owned subsidiary undertakings.

Key Performance Indicators

The Trustees monitor the group's performance against the strategic objectives on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial indicators. The key financial performance indicators used by the group are as follows:

| | <u>2023</u> | <u>2022</u> |
|---|--------------------|--------------------|
| | £ | £ |
| Grants and donations paid | 3,164,280 | 2,805,360 |
| Net investment income | 1,731,494 | 3,704,790 |
| Net (losses)/gains on investments | (4,014,227) | 2,284,698 |
| Net movement in funds – (deficit)/surplus | (5,706,324) | 2,962,360 |
| Total Funds | 68,944,060 | 74,650,384 |

Plans For The Future

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

Principal Risks and Uncertainties

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

The principal risks to which the group is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to property from flood, fire or terrorist action
- The availability of liquid funds to make grants and donations
- Macroeconomic and political uncertainty including the potential for a prolonged period of higher interest rates and geopolitical risks
- The economic cycle generally

The group seeks to manage or mitigate such risks wherever possible through measures including 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.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the Directors of The Shlomo Memorial Fund Limited for the purposes of Company Law) are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 Company and of the incoming resources and application of resources, including the income and expenditure, of the Charity Group for that period. Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the income and expenditure of the Group for that period. In preparing these Financial Statements, the 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 UK 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 Company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Charity Legislation. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Trustees are aware at the time of approving the Trustees' Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

AUDITORS

The auditors, Cohen Arnold, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Approved by the Trustees on 30 July 2024, including, in their capacity as Company Directors, the Strategic Report contained therein.

By Order of the Trustees

.....
MR C Y KAUFMAN – TRUSTEE

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

OPINION

We have audited the financial statements of The Shlomo Memorial Fund Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 30 September 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charitable company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 about the group's or the parent charitable company'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 directors 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, 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.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company 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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

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, and determined that the most relevant to the presentation of the financial statements are those that relate to the reporting legislation (UK GAAP, the Charities Act 2011 and the Companies Act 2006), the relevant tax regulations in the United Kingdom, the Landlord and Tenant Act, the UK General Data Protection Regulation (GDPR), Health & Safety Regulations and the Bribery Act. We understood how the group is complying with those frameworks through discussion with the directors and senior management, and by identifying the group's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to the directors.
- 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 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, including how fraud might occur, by reviewing the group's identified risks and enquiry with the directors and senior management during the planning and finalisation phases of our audit. 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. Our procedures included reviewing the group's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HMRC, testing transactions outside the normal course of the business and journal entries, and discussions with the directors and senior management.

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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

- 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 group's 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 group or parent charitable company'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 group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

JOSHUA NEUMANN
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

Our audit was completed on 30 July 2024 and our opinion was expressed at that date.

Cohen Arnold is eligible to act as an Auditor in terms of Section 1212 of the Companies Act 2006.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

| | | 2023 | 2022 |
|---|--------------|---------------------------|---------------------------|
| | Notes | Unrestricted Funds | Unrestricted Funds |
| | | £ | £ |
| Income and endowments from: | | | |
| Donations and legacies | | - | 450 |
| Investments | 4 | 8,938,300 | 8,430,984 |
| Other Trading Activity | 5 | - | 1,156,802 |
| | | ----- | ----- |
| Total Income | | 8,938,300 | 9,588,236 |
| | | ----- | ----- |
| Expenditure on: | | | |
| Investment Management Costs | 6 | 7,206,806 | 4,726,194 |
| Other Trading Expenditure | 7 | 24,414 | 980,259 |
| Charitable Activities | 8 | 3,235,533 | 2,877,273 |
| | | ----- | ----- |
| Total Expenditure | | 10,466,753 | 8,583,726 |
| | | ----- | ----- |
| Gains and Losses on Investments | | | |
| Loss on Sale of Investment Properties (Deficit)/Surplus on Revaluation of Investment Properties | 12 | (453,967) (3,560,260) | (19,166) 2,303,864 |
| | | ----- | ----- |
| Net (Loss)/Gains on Investments | | (4,014,227) | 2,284,698 |
| | | ----- | ----- |
| Net (Expenditure)/Income before Tax | | (5,542,680) | 3,289,208 |
| | | ----- | ----- |
| Taxation – charge | 13 | (163,644) | (326,848) |
| | | ----- | ----- |
| Net (Expenditure)/Income for the Year and Net Movement in Funds | 14 | (5,706,324) | 2,962,360 |
| | | ----- | ----- |
| Reconciliation of Funds: | | | |
| Total Funds Brought Forward | | 74,650,384 | 71,688,024 |
| | | ----- | ----- |
| Total Funds Carried Forward | 23 | £68,944,060 | £74,650,384 |
| | | ===== | ===== |

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 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023

| | <u>Notes</u> | <u>2023</u> | | <u>2022</u> | |
|--|--------------|--------------|-------------|--------------|-------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 15 | | 36,178 | | 156,359 |
| Investment Properties | 16 | | 132,720,893 | | 126,189,000 |
| | | | ----- | | ----- |
| | | | 132,757,071 | | 126,345,359 |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 5,925,298 | | 7,362,062 | |
| Cash at Bank and on Deposit | | 4,086,700 | | 6,027,451 | |
| | | | ----- | | ----- |
| | | | 10,011,998 | | 13,389,513 |
| CREDITORS: Amounts falling due within one year | 19 | (7,398,157) | | (4,221,910) | |
| | | | ----- | | ----- |
| NET CURRENT ASSETS | | | 2,613,841 | | 9,167,603 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | ----- | | ----- |
| | | | 135,370,912 | | 135,512,962 |
| CREDITORS: Amounts falling due after more than one year | 20 | (64,734,695) | | (59,334,065) | |
| Provisions for Liabilities & Charges | 22 | (1,692,157) | | (1,528,513) | |
| | | | ----- | | ----- |
| NET ASSETS | | | £68,944,060 | | £74,650,384 |
| | | | ===== | | ===== |
| The funds of the charitable Group: | | | | | |
| Unrestricted Funds | 23 | | 68,944,060 | | 74,650,384 |
| | | | ----- | | ----- |
| | | | £68,944,060 | | £74,650,384 |
| | | | ===== | | ===== |

The Trustees have prepared Group Financial Statements in accordance with Section 399 of the Companies Act 2006. These Financial Statements constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The Financial Statements were approved by the Trustees on 30 July 2024 and signed on their behalf by:

.....
MR C Y KAUFMAN – TRUSTEE

The notes on pages 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 SEPTEMBER 2023

| | <u>Notes</u> | <u>2023</u> | | <u>2022</u> | |
|--|--------------|-------------|--------------|-------------|--------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 15 | | 6,517 | | 8,689 |
| Investment Properties | 16 | | 81,444,893 | | 75,773,500 |
| Investments | 17 | | 32,060,000 | | 31,680,000 |
| | | | <hr/> | | <hr/> |
| | | | 113,511,410 | | 107,462,189 |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 2,273,674 | | 3,417,321 | |
| Cash at Bank and on Deposit | | 777,828 | | 2,390,129 | |
| | | | <hr/> | | <hr/> |
| | | | 3,051,502 | | 5,807,450 |
| CREDITORS: Amounts falling due within one year | 19 | (3,172,682) | | (1,661,730) | |
| | | | <hr/> | | <hr/> |
| NET CURRENT (LIABILITIES)/ASSETS | | | (121,180) | | 4,145,720 |
| | | | <hr/> | | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 113,390,230 | | 111,607,909 |
| CREDITORS: Amounts falling due after more than one year | 20 | | (44,584,453) | | (36,941,662) |
| | | | <hr/> | | <hr/> |
| NET ASSETS | | | £68,805,777 | | £74,666,247 |
| | | | <hr/> | | <hr/> |
| The funds of the charitable Company: | | | | | |
| Unrestricted Funds | 23 | | 68,805,777 | | 74,666,247 |
| | | | <hr/> | | <hr/> |
| | | | £68,805,777 | | £74,666,247 |
| | | | <hr/> | | <hr/> |

The Financial Statements were approved by the Trustees and authorised for issue on 30 July 2024 and signed on their behalf by:

.....
MR C Y KAUFMAN – TRUSTEE

Company Registration No: 1393121

The notes on pages 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

| | <u>Notes</u> | <u>2023</u> £ | <u>2022</u> £ |
|--|--------------|--------------------|-------------------|
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | 25 | (4,301,443) | (2,368,430) |
| Cash flows from investing activities: | | | |
| Interest received | | 673,730 | 244,850 |
| Net rental income received | | 6,528,063 | 6,350,215 |
| Purchase of tangible fixed assets | | - | (1,175) |
| Purchase of investment properties | | (16,330,823) | (4,932,025) |
| Proceeds from sale of investment properties | | 5,784,703 | 3,171,223 |
| Net cash (used in)/provided by investing activities | | (3,344,327) | 4,833,088 |
| Cash flows from financing activities: | | | |
| Interest paid | | (4,272,318) | (2,071,836) |
| Increase in bank borrowings | | 3,912,077 | 2,085,848 |
| Increase in other loan creditors | | 400,465 | 12,882 |
| Increase in finance leases | | 4,109,393 | - |
| Decrease/(Increase) in other loan debtors | | 1,555,402 | (766,153) |
| Net cash provided by/(used in) financing activities | | 5,705,019 | (739,259) |
| Change in cash and cash equivalents in the year | | (1,940,751) | 1,725,399 |
| Cash and cash equivalent at the beginning of the year | | 6,027,451 | 4,302,052 |
| Cash and cash equivalent at the end of the year | 25 | £4,086,700 | £6,027,451 |

The notes on pages 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. GENERAL INFORMATION

The Shlomo Memorial Fund Limited ('the Company') is a charitable company limited by guarantee and is incorporated in England and Wales. The Company's registered office is New Burlington House, 1075 Finchley Road, London NW11 0PU. The presentation currency of these Financial Statements is sterling.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

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

3. ACCOUNTING POLICIES

Basis of Preparation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The UK economy continues to face challenges due to macroeconomic and political uncertainty, including the potential for a prolonged period of higher interest rates and geopolitical risks. Therefore, the directors of The Shlomo Memorial Fund Limited group ("the group") have placed a particular focus on the group's going concern assessment and have considered the principal risks to the group including tenant defaults and increases in the cost of borrowing. This assessment has considered the various probable outcomes of these factors on the group's operations and its future financial performance over the next 12 months. The directors have also considered the likelihood of the group's loan covenants being breached in the coming 12 months and remedy packages if these covenants are breached. These risks are beyond the control of the group and represent uncertainty to the revenue and cash flow of the group for the foreseeable future.

Notwithstanding these uncertainties, the directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern and that there is no material uncertainty to this position, as the directors have a reasonable expectation that the group and the company have adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting their liabilities and commitments as they fall due.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Group Financial Statements

These Financial Statements consolidate the results of the Company and its subsidiaries on a line-by-line basis. A separate statement of financial activities or income and expenditure account dealing with the results of the Company only has not been presented in accordance with Section 408 of the Companies Act 2006.

Judgements and Key Sources of Estimation Uncertainty

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

i. Property valuations

The Group's property portfolio is valued by either an external independent valuer with appropriate qualifications and experience or the directors based on their understanding of property market conditions. The valuation of the Group's properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. ACCOUNTING POLICIES (Continued)

ii. Debtors

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

Income

All donations are recognised in the Statement of Financial Activities (SOFA) of the Company when it has unconditional entitlement to the resources. Donations represent voluntary amounts received during the year.

All other income is recognised on a receivable basis. This includes income from investments and deposits, rentals from property assets, income from the provision of care home facilities and grants and donations received by the Group.

Investment Management Costs

Investment management costs include costs relating to the investment properties on an accruals basis.

Governance Costs

Governance costs include costs of the preparation and audit of financial statements and the costs of any legal advice to Trustees on governance or constitutional matters and is recognised on an accruals basis.

Taxation

The Company is not liable to direct taxation on its income and gains as they fall within the various exemptions available to registered charities. The subsidiary undertakings are subject to Corporation Tax but it is expected that their taxable profits will be gifted for charitable purposes and therefore no tax liability should arise.

Notwithstanding the above, deferred tax is recognised in respect of all timing differences present in the non-charitable subsidiary undertakings. 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.

Liability Recognition

Liabilities are recognised as soon as there is a present obligation committing the entity to pay out resources, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured or estimated reliably.

Fund Accounting

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

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

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

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

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

| | |
|----------------------|-----------------------|
| Plant & Machinery | -25% reducing balance |
| Furniture & Fittings | -25% reducing balance |
| Motor Vehicles | -25% reducing balance |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. ACCOUNTING POLICIES (Continued)

Properties Held for Investment

Properties classified as investments are included in the Balance Sheet at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities. In accordance with FRS 102, no depreciation or amortisation is provided in respect of freehold or long-leasehold investment properties.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

The group's interests in some of its investment properties are in the form of long and short leases as opposed to freehold ownership. The group recognises as liabilities amounts payable under head leases and a corresponding leased asset, which is included in investment property. These leased investment properties are initially recorded at the present value of the remaining lease payments and are then subsequently carried at fair value. In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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.

Investment in Subsidiary Undertakings

Shareholdings acquired are included in the Financial Statements at fair value; any surplus or deficit on revaluation is taken to the SOFA.

Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities.

Basic Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

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

Trade and other creditors

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

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. INVESTMENT INCOME

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Income from Investment Properties | 8,445,667 | 8,053,593 |
| Interest Receivable | 492,633 | 377,391 |
| | 8,938,300 | 8,430,984 |
| | 8,938,300 | 8,430,984 |

All investment income is derived from UK investments.

5. OTHER TRADING ACTIVITY

| | <u>2023</u> | <u>2022</u> |
|----------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Income | - | 1,156,802 |
| | - | 1,156,802 |
| | - | 1,156,802 |

Other Trading Income relates to the provision of care home facilities operated by the Group.

6. INVESTMENT MANAGEMENT COSTS

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Investment Property Outgoings | 1,917,604 | 1,703,378 |
| Management and Administration | 598,990 | 668,725 |
| Interest Payable | 4,690,212 | 2,354,091 |
| | 7,206,806 | 4,726,194 |
| | 7,206,806 | 4,726,194 |

7. OTHER TRADING EXPENDITURE

| | <u>2023</u> | <u>2022</u> |
|---------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Expenditure | 24,414 | 980,259 |
| | 24,414 | 980,259 |
| | 24,414 | 980,259 |

Other Trading Expenditure relates to the cost of providing care home facilities operated by the Group.

8. EXPENDITURE ON CHARITABLE ACTIVITIES

| | <u>2023</u> | <u>2022</u> |
|-----------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Grant funding activities (Note 9) | 3,164,280 | 2,805,360 |
| Governance costs (Note 10) | 71,253 | 71,913 |
| | 3,235,533 | 2,877,273 |
| | 3,235,533 | 2,877,273 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

9. GRANTS AND DONATIONS

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

The following donations were made during the year ended 30 September 2023:

| Recipients of Institutional Grants | £ |
|--|----------|
| Ziv Hakehilla | 368,000 |
| Layesharim Tehilla | 198,500 |
| Chaim Vuchessed Organisation | 117,000 |
| Beer Ha'olam | 111,650 |
| Matan Bseser | 104,500 |
| Igud Hakollelim | 84,000 |
| Kupat Tzdaka Leman Aniyei Ramat Bet Shemesh | 78,000 |
| Dorshi Tzion Elit | 71,000 |
| Yad Tomechet LeNizkak Batzafon | 67,250 |
| Arucha Chama Bechol Yom | 65,000 |
| Yachad Leman Kol Echod Vechod | 65,000 |
| Kollel Marsham | 63,000 |
| Lehava Shel Torah | 60,300 |
| Izkor | 58,500 |
| Meor HaTorah | 58,500 |
| Ohr Chana | 53,000 |
| Bereshit | 52,000 |
| Keren Zichron Shlomo Eretz Yisroel | 52,000 |
| Mimamakim Chesed uMarpeh | 52,000 |
| Shaarei Tehilla | 52,000 |
| Tehillas Shlomo | 47,800 |
| Bnei Banim Mosdot Torah Vechinuch | 46,800 |
| Kollel Avreichim Mercaz Torani | 45,000 |
| Nachlat Haleviim | 45,000 |
| Keren Professor Enrico Venachama Batya Levi | 42,000 |
| Ateret Avot | 39,000 |
| Beer Yosef Zvi | 39,000 |
| Beis Medrash Menorat Hatalmud | 39,000 |
| Beit Vaad Lelimud Vedaat Chaim | 39,000 |
| Bircas Elimelech | 39,000 |
| Birkat Horai | 39,000 |
| Bnei Hayeshivot | 39,000 |
| HaMercaz leTikun Chatzos | 39,000 |
| Hashutfim Lomdei veTomchei Torah | 39,000 |
| Hitachdut Shem Olam Bet Shemesh | 39,000 |
| Kollel Yeshivas Yosef Chaim | 39,000 |
| Mateh Aharon | 39,000 |
| Mosdot Tora Vadaat Jerusalem and Bet Shemesh | 39,000 |
| Oholim Shel Torah | 39,000 |
| Peer Avot | 39,000 |
| Pnei Yitzchak | 39,000 |
| Pninei Torah | 39,000 |
| Shaarei Limud | 39,000 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

9. GRANTS AND DONATIONS (Continued)

| Recipients of Institutional Grants (Continued) | £ |
|---|-------------|
| Yerushalaim Shel Malo | 39,000 |
| Tiferes Yerushalaim | 36,000 |
| Minchat Yehuda | 33,000 |
| Meorot Zvi | 32,500 |
| | <hr/> |
| Other donations (below £30,000) | 2,900,300 |
| | 263,980 |
| | <hr/> |
| | 3,164,280 |
| | <hr/> <hr/> |

10. ANALYSIS OF GOVERNANCE COSTS

| | <u>2023</u> | <u>2022</u> |
|-----------------------------|--------------------|--------------------|
| | £ | £ |
| Auditor's remuneration | 50,000 | 50,000 |
| Bookkeeping fees | 6,932 | 3,491 |
| Bank charges | 2,749 | 7,094 |
| Legal and professional fees | 10,168 | 10,624 |
| General expenses | 1,404 | 704 |
| | <hr/> | <hr/> |
| | 71,253 | 71,913 |
| | <hr/> <hr/> | <hr/> <hr/> |

11. STAFF COSTS AND EMOLUMENTS

| | <u>2023</u> | <u>2022</u> |
|---|---------------------------|--------------------|
| | Unrestricted Funds | |
| | £ | £ |
| The aggregate payroll costs for the Group were: | | |
| Wages and salaries | 268,583 | 947,791 |
| Social security | 18,688 | 63,041 |
| | <hr/> | <hr/> |
| | 287,271 | 1,010,832 |
| | <hr/> <hr/> | <hr/> <hr/> |

The average number of staff employed by the Group during the financial year amounted to:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------|--------------------|--------------------|
| Number of nursing staff | - | 37 |
| Number of administrative staff | 8 | 8 |
| Number of management staff | - | 2 |
| | <hr/> | <hr/> |
| | 8 | 47 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. LOSS ON SALE OF INVESTMENT PROPERTIES

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net sale proceeds | 5,784,703 | 3,171,223 |
| Book value of properties sold | (6,238,670) | (3,190,389) |
| | <hr/> | <hr/> |
| | (453,967) | (19,166) |
| | <hr/> <hr/> | <hr/> <hr/> |

13. TAXATION

Major components of tax expense

| | <u>2023</u> | <u>2022</u> |
|--|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Current tax: | | |
| Current year | - | - |
| | <hr/> | <hr/> |
| Deferred tax: | | |
| Origination and reversal of timing differences | 163,644 | 326,848 |
| Impact of change in tax rate | - | - |
| | <hr/> | <hr/> |
| | 163,644 | 326,848 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Tax charge | 163,644 | 326,848 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

Reconciliation of tax expense

The tax assessed on the net income for the year is lower than the standard rate of corporation tax in the UK of 22% (2022: 19%).

| | <u>2023</u> | <u>2022</u> |
|---|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net (expenditure)/income before tax | (5,542,680) | 3,289,208 |
| | <hr/> | <hr/> |
| Net income by rate of tax | (1,219,389) | 624,950 |
| Income and gains exempt from tax | 1,608,303 | (279,899) |
| Expenses not deductible for tax | 17,998 | 171 |
| Effect of capital allowance and depreciation | 22,487 | 1,818 |
| Timing difference on unrealised gains | (204,096) | 194,288 |
| Unused tax losses carried forward | 1,568 | 1,156 |
| Timing difference on gift aid | (120,426) | (218,605) |
| Difference between chargeable gains and profit on sale of investment properties | 55,894 | 2,969 |
| Other differences | 1,305 | - |
| | <hr/> | <hr/> |
| Taxation charge | 163,644 | 326,848 |
| | <hr/> <hr/> | <hr/> <hr/> |

The deferred tax liability at 30 September 2023 has been calculated based on the rate of 25% (2022: 25%).

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

14. NET MOVEMENT IN FUNDS

This is stated after charging the Group:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| Auditor' Remuneration | | |
| Audit fees - Charity | £50,000 | £50,000 |
| Audit fees – Subsidiary undertakings | £73,600 | £71,600 |
| Other fees | - | - |
| Depreciation | £118,412 | £28,934 |
| | £118,412 | £28,934 |

No salaries or wages or other benefits have been paid to the Trustees during the year.

The Company did not meet any individual expenses incurred by the Trustees for services provided to the Company.

Of the Net Movement in Funds of the Group, a Net Deficit of £5,860,470 (2022: £2,978,150 – Net Income) has been dealt with in the Statement of Financial Activities of the Company itself.

15. TANGIBLE FIXED ASSETS

| THE GROUP | <u>Plant & Machinery</u> | <u>Furniture & Fittings</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|-----------------------|---|--|----------------------------------|---------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 October 2022 | 440,682 | 50,071 | 50,422 | 541,175 |
| Disposals | - | - | (19,250) | (19,250) |
| | 440,682 | 50,071 | 31,172 | 521,925 |
| Depreciation | | | | |
| At 1 October 2022 | 321,051 | 32,973 | 30,792 | 384,816 |
| Charge for the Year | 104,712 | 8,793 | 4,907 | 118,412 |
| Disposals | - | - | (17,481) | (17,481) |
| | 425,763 | 41,766 | 18,218 | 485,747 |
| Net Book Value | | | | |
| At 30 September 2023 | 14,919 | 8,305 | 12,954 | 36,178 |
| At 30 September 2022 | 119,631 | 17,098 | 19,630 | 156,359 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15. TANGIBLE FIXED ASSETS (Continued)

| THE COMPANY | Fixtures & Fittings £ |
|--|--|
| Cost | |
| At 1 October 2022 and at 30 September 2023 | 40,490 |
| | <hr/> |
| Depreciation | |
| At 1 October 2022 | 31,801 |
| Charge for the Year | 2,172 |
| | <hr/> |
| At 30 September 2023 | 33,973 |
| | <hr/> |
| Net Book Value | |
| At 30 September 2023 | 6,517 |
| | <hr/> |
| At 30 September 2022 | 8,689 |
| | <hr/> |

16. INVESTMENT PROPERTIES

| THE GROUP | Freehold Investment Properties £ | Leasehold Investment Properties £ | Total £ |
|----------------------|---|--|--------------------|
| Fair value | | | |
| At 1 October 2022 | 113,612,500 | 12,576,500 | 126,189,000 |
| Additions | 16,279,499 | 51,324 | 16,330,823 |
| Disposals | (6,238,670) | - | (6,238,670) |
| Revaluation | (3,835,436) | 275,176 | (3,560,260) |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2023 | 119,817,893 | 12,903,000 | 132,720,893 |
| | <hr/> | <hr/> | <hr/> |

Investment properties are stated at fair value as at 30 September 2023.

Tangible assets held at valuation

An independent professional valuation of the Group's investment properties was carried out at 30 September 2023 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with the RICS Valuation Standards – Red Book Global.

The aggregate professional valuations included in the above table have been increased by an amount of £4,109,393 relating to finance lease assets, with the corresponding liability shown in creditors.

The historical cost of the group's investment properties at 30 September 2023 is £107,463,630 (2022: £97,146,719).

Valuation techniques and key inputs

The valuer's opinion of market value was derived using recent comparable market transactions at arm's length, subject to the existing tenancies or with full vacant possession.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. INVESTMENT PROPERTIES (Continued)

| THE COMPANY | Freehold Investment Properties | Leasehold Investment Properties | Total |
|----------------------|---|--|--------------|
| | £ | £ | £ |
| Fair value | | | |
| At 1 October 2022 | 67,160,000 | 8,613,500 | 75,773,500 |
| Additions | 11,981,342 | 6,962 | 11,988,304 |
| Disposals | (890,000) | - | (890,000) |
| Revaluation | (5,631,449) | 204,538 | (5,426,911) |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2023 | 72,619,893 | 8,825,000 | 81,444,893 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

An independent professional valuation of the Company's investment properties was carried out at 30 September 2023 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with RICS Valuation Standards - Red Book Global.

The aggregate professional valuations included in the above table have been increased by an amount of £4,109,393 relating to finance lease assets, with the corresponding liability shown in creditors.

The historical cost of the Company's investment properties at 30 September 2023 is £78,733,416 (2022: £67,563,863).

All the Company's investment properties were held in the UK.

17. INVESTMENTS

THE COMPANY

| | At 30 September 2023 | Revaluation | At 1 October 2022 |
|-------------------------|---------------------------------|--------------------|------------------------------|
| Investment in | | | |
| Subsidiary Undertakings | £32,060,000 | £380,000 | £31,680,000 |
| | <hr/> | <hr/> | <hr/> |

- a) The Company owns directly or indirectly the whole of the issued ordinary share capital in the following companies, all of which are incorporated in Great Britain and registered in England and Wales.

Directly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|-----------------------|---|
| Hartons Limited | 04572804 |
| Neranen Limited | 09667377 |
| Olnato Limited | 01446600 |
| Weymer Limited | 04572794 |

Indirectly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|---|---|
| Cloudpress Limited | 04592197 |
| Paramount Care (Gateshead) Limited | 07959750 |
| Paramount Care Services (Gateshead) Limited | 07959737 |
| Smart Mortgage Finance Limited | 05628260 |
| Talten Business Park Limited | 02942606 |
| The More Centre (Gateshead) Limited | 08302096 |
| Viewplus Limited | 08276273 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17. INVESTMENTS (Continued)

- b) The fair value at 30 September 2023 of the Investment in the Subsidiary Undertakings is based on the underlying value of assets less liabilities of those companies. All of the investment properties held by these Subsidiary Undertakings were professionally valued by an independent valuer.

The Company has made no provision for any latent liability to Corporation Tax on unrealised surpluses resulting from the revaluations. It is anticipated that most, if not all, realised surpluses would be applied for the benefit of this Company's charitable purposes and that little, if any, tax liability would arise.

The historical cost of the Company's Investment in Subsidiary Undertakings is £9.

- c) The Financial Statements of the Subsidiary Undertakings are made up annually to September except for Cloudpress Limited and Talten Business Park Limited which are made up annually to December.

The Financial Statements of the Subsidiary Undertakings, whose Financial Statements are non-coterminous with those of the Company, used in preparing the Consolidated Financial Statements, have been prepared as of the reporting date closest to that of the Company.

A summary of turnover and profit or loss for the year is shown below for each subsidiary undertaking:

| <u>Company</u> | <u>Year Ended</u> | <u>Turnover</u> £ | <u>Net Profit/ (Loss) for year</u> £ |
|---|--------------------------|-----------------------------|--|
| Cloudpress Ltd | 31.12.23 | 62,345 | 48,681 |
| Hartons Ltd | 30.09.23 | 209,062 | 91,333 |
| Neranen Ltd | 30.09.23 | 1,328,166 | (348,010) |
| Olnato Ltd | 30.09.23 | 1,128,574 | (372,961) |
| Paramount Care (Gateshead) Ltd | 30.09.23 | - | (160,278) |
| Paramount Care Services (Gateshead) Ltd | 30.09.23 | - | - |
| Smart Mortgage Finance Ltd | 30.09.23 | 344,014 | 2,200 |
| Talten Business Park Ltd | 31.12.23 | - | (11,975) |
| The More Centre (Gateshead) Ltd | 30.09.23 | - | - |
| Viewplus Ltd | 30.09.23 | - | 1,133,757 |
| Weymer Ltd | 30.09.23 | - | - |

The assets, liabilities, capital and reserves of the subsidiary undertakings are as follows:

| <u>Company</u> | <u>Balance Sheet Date</u> | <u>Assets</u> £ | <u>Liabilities</u> £ | <u>Capital & Reserves/ (Deficit)</u> £ |
|---|----------------------------------|---------------------------|--------------------------------|--|
| Cloudpress Ltd | 31.12.23 | 2,381,882 | (1,793,147) | 588,735 |
| Hartons Ltd | 30.09.23 | 2,549,798 | (1,722,789) | 827,009 |
| Neranen Ltd | 30.09.23 | 18,232,849 | (14,369,654) | 3,863,195 |
| Olnato Ltd | 30.09.23 | 38,072,743 | (12,109,218) | 25,963,525 |
| Paramount Care (Gateshead) Ltd | 30.09.23 | 140,387 | (353,718) | (213,331) |
| Paramount Care Services (Gateshead) Ltd | 30.09.23 | - | (316) | (316) |
| Smart Mortgage Finance Ltd | 30.09.23 | 2,830,866 | (2,820,444) | 10,422 |
| Talten Business Park Ltd | 31.12.23 | 3,539,818 | (2,074,231) | 1,465,587 |
| The More Centre (Gateshead) Ltd | 30.09.23 | 14,364 | (235,599) | (221,235) |
| Viewplus Ltd | 30.09.23 | 7,680,110 | (6,755,210) | 924,900 |
| Weymer Ltd | 30.09.23 | 134,002 | (150,126) | (16,124) |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

18. DEBTORS

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | £ | £ | £ | £ |
| Rent and Service Charges | 2,787,585 | 2,175,647 | 2,268,285 | 3,368,143 |
| Other Debtors and Prepayments | 398,806 | 892,106 | 5,389 | 49,178 |
| Loan Debtors | 2,738,907 | 4,294,309 | - | - |
| | <u>5,925,298</u> | <u>7,362,062</u> | <u>2,273,674</u> | <u>3,417,321</u> |

Loan debtors are sterling loans which bear interest at various interest rates ranging from 5% to 9.5% per annum and are repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>The Group</u> | | <u>The Company</u> | |
|---|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | £ | £ | £ | £ |
| Bank Loans and Overdrafts | 3,665,004 | 365,343 | - | - |
| Amounts owed to Group Undertakings | - | - | 1,119,423 | 14,156 |
| Rent and Service Charges in Advance | 802,312 | 832,181 | 582,854 | 569,017 |
| Taxation and Social Security | 528,363 | 198,556 | 186,755 | 116,112 |
| Obligations under Finance Lease Agreements (see note 27) | 122 | - | 122 | - |
| Other Creditors and Accruals | 2,402,356 | 2,825,830 | 1,283,528 | 962,445 |
| | <u>7,398,157</u> | <u>4,221,910</u> | <u>3,172,682</u> | <u>1,661,730</u> |

The Bank Loans and Overdrafts are secured on certain of the Group's properties.

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

| | <u>The Group</u> | | <u>The Company</u> | |
|---|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | £ | £ | £ | £ |
| Bank Loans | 59,946,481 | 59,334,065 | 40,090,182 | 36,941,662 |
| Loan Creditors (see below) | 678,943 | - | 385,000 | - |
| Obligations under Finance Lease Agreements (see note 27) | 4,109,271 | - | 4,109,271 | - |
| | <u>64,734,695</u> | <u>59,334,065</u> | <u>44,584,453</u> | <u>36,941,662</u> |

The Loan Creditors comprise a sterling loan of £293,943 bearing interest at 5% per annum above base rate and repayable in December 2024 and another loan of £385,000 which bears interest at 6% per annum and is repayable in June 2038.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

21. BANK LOANS

Bank Loans, included in Creditors falling due after more than one year, are analysed as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|---|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | £ | £ | £ | £ |
| Repayable within 5 years | 58,982,141 | 55,089,717 | 40,090,182 | 36,941,662 |
| Repayable after 5 years | 4,629,344 | 4,609,691 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 63,611,485 | 59,699,408 | 40,090,182 | 36,941,662 |
| Less Amounts Repayable within 1 year | (3,665,004) | (365,343) | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 59,946,481 | 59,334,065 | 40,090,182 | 36,941,662 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Details of loans repayable after 5 years are as follows:

| <u>Loans</u> | <u>Terminating in</u> | <u>Interest Rate</u> | <u>The Group</u> | | <u>The Company</u> | |
|---------------------|------------------------------|---|-------------------------|--------------------|---------------------------|--------------------|
| | | | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | | | £ | £ | £ | £ |
| 2028 | | 2.75% above Unity Bank Base Rate | 1,436,447 | 1,447,752 | - | - |
| 2030 | | 3.00% above Bank Base Rate (subject to a Minimum of 3%) | 3,192,897 | 3,161,939 | - | - |
| | | | <hr/> | <hr/> | <hr/> | <hr/> |
| | | | 4,629,344 | 4,609,691 | - | - |
| | | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The Bank Loans and Mortgages are secured by legal charges over certain of the properties of the group.

22. PROVISION FOR LIABILITIES & CHARGES

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|--------------------|--------------------|
| | £ | £ |
| Balance at the beginning of the year | 1,528,513 | 1,201,665 |
| Charge for the year | 163,644 | 326,848 |
| | <hr/> | <hr/> |
| Balance at the end of the year | 1,692,157 | 1,528,513 |
| | <hr/> <hr/> | <hr/> <hr/> |

Deferred tax is recognised in respect of timing differences from the revaluation of assets classified as investments in the non-charitable subsidiary undertakings. Although the provision has been recognised in accordance with FRS 102, it is expected that any realised surpluses will be applied solely for charitable purposes and such tax should not become payable.

Deferred tax has not been recognised in respect of revaluation of investments by the parent Company on the basis that all such gains will be applied for charitable purposes.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

23. UNRESTRICTED FUNDS

| The Group | £ |
|--------------------------------|--------------|
| Balance at 1 October 2022 | 74,650,384 |
| Total Income for the year | 8,938,300 |
| Total Expenditure for the year | (10,466,753) |
| Net Losses on Investments | (4,014,227) |
| Taxation – charge | (163,644) |
| | _____ |
| Balance at 30 September 2023 | 68,944,060 |
| | ===== |
| | |
| The Company | £ |
| Balance at 1 October 2022 | 74,666,247 |
| Total Income for the year | 6,862,372 |
| Total Expenditure for the year | (7,671,202) |
| Net Losses on Investments | (5,051,640) |
| | _____ |
| Balance at 30 September 2023 | 68,805,777 |
| | ===== |

24. FINANCIAL INSTRUMENTS

| | <u>The Group</u> | | <u>The Company</u> | |
|--|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| | £ | £ | £ | £ |
| <i>Financial assets measured at fair value through income and expenditure:</i> | | | | |
| Unlisted investment (Note 17) | - | - | 32,060,000 | 31,680,000 |
| <i>Financial assets measured at amortised cost:</i> | | | | |
| Debtors (Note 18) | 5,925,298 | 7,362,062 | 2,273,674 | 3,417,321 |
| Cash at bank | 4,086,700 | 6,027,451 | 777,828 | 2,390,129 |
| <i>Financial liabilities measured at amortised cost:</i> | | | | |
| Creditors (Notes 19 & 20) | 72,132,852 | 63,555,975 | 47,757,135 | 38,603,392 |
| | ===== | ===== | ===== | ===== |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

25. **NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

Reconciliation of net income to net cash flow from operating activities

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------|--------------------|--------------------|
| | £ | £ |
| Net (expenditure)/income for the year | (5,706,324) | 2,962,360 |
| Adjustment for: | | |
| Depreciation | 118,412 | 28,934 |
| Loss on sale of fixed assets | 1,769 | - |
| Interest receivable | (492,633) | (377,391) |
| Net rental income receivable | (6,528,063) | (6,350,215) |
| Interest payable | 4,690,212 | 2,354,091 |
| Taxation | 163,644 | 326,848 |
| Losses/(Gains) on investment assets | 4,014,227 | (2,284,698) |
| Increase in debtors | (299,735) | (80,674) |
| (Decrease)/increase in creditors | (262,952) | 1,056,005 |
| | (4,301,443) | (2,364,740) |
| Tax paid | - | (3,690) |
| | £(4,301,443) | £(2,368,430) |
| | £(4,301,443) | £(2,368,430) |

Analysis of cash and cash equivalents

| | <u>2023</u> | <u>2022</u> |
|--------------------------|--------------------|--------------------|
| | £ | £ |
| Cash at bank and in hand | 4,086,700 | 6,027,451 |
| Bank overdrafts | - | - |
| | 4,086,700 | 6,027,451 |
| | 4,086,700 | 6,027,451 |

Analysis of changes in net debt

| | At 1 | Cash | At 30 |
|---------------------------|----------------|--------------|------------------|
| | October | Flows | September |
| | 2022 | £ | 2023 |
| | £ | £ | £ |
| Cash and cash equivalents | 6,027,451 | (1,940,751) | 4,086,700 |
| Bank borrowings | (59,699,408) | (3,912,077) | (63,611,485) |
| Finance lease agreements | - | (4,109,271) | (4,109,271) |
| Loan debtors | 4,294,309 | (1,555,402) | 2,738,907 |
| Loan creditors | (278,478) | (400,465) | (678,943) |
| | (49,656,126) | (11,917,966) | (61,574,092) |
| | (49,656,126) | (11,917,966) | (61,574,092) |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

26. COMMITMENTS UNDER OPERATING LEASES

As Lessee:

At the Balance Sheet date, future minimum lease payments payable by the group under non-cancellable operating leases were as follows:

| | <u>2023</u> £ | <u>2022</u> £ |
|----------------------|------------------|------------------|
| Within one year | 239,594 | 424,218 |
| In two to five years | 958,380 | 1,696,874 |
| More than five years | 13,473,400 | 43,757,919 |
| | <hr/> | <hr/> |
| | 14,671,374 | 45,879,011 |
| | <hr/> <hr/> | <hr/> <hr/> |

As Lessor:

At the Balance Sheet date, future minimum lease payments payable to the group under non-cancellable operating leases were as follows:

| | <u>2023</u> £ | <u>2022</u> £ |
|----------------------|------------------|------------------|
| Within one year | 5,264,997 | 4,423,817 |
| In two to five years | 14,808,781 | 12,265,797 |
| More than five years | 25,981,183 | 25,869,736 |
| | <hr/> | <hr/> |
| | 46,054,961 | 42,559,350 |
| | <hr/> <hr/> | <hr/> <hr/> |

27. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements payable by the Group are as follows:

| | <u>2023</u> £ | <u>2022</u> £ |
|---|------------------|------------------|
| Amounts payable within 1 year | 184,624 | - |
| Amounts payable between 2 and 5 years | 738,496 | - |
| Amounts payable after more than 5 years | 29,862,932 | - |
| | <hr/> | <hr/> |
| | 30,786,052 | - |
| Less: future finance charges | (26,676,659) | - |
| | <hr/> | <hr/> |
| Present value of minimum lease payments | 4,109,393 | - |
| | <hr/> <hr/> | <hr/> <hr/> |

28. CONTINGENT LIABILITIES AND GUARANTEES

The Group has provided guarantees totalling £59m in respect of loan facilities granted to certain Group companies. The balance outstanding on these facilities at 30 September 2023 aggregated £56.5m (2022: £58.9m).

29. CONTROL

The Company, which is incorporated for charitable purposes, has no controlling party.

THE SHLOMO MEMORIAL FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2023 | 2022 |
|---|---------------------------|---------------------------|
| | Unrestricted Funds | Unrestricted Funds |
| | £ | £ |
| Income and endowments from: | | |
| Donations and legacies | 1,070,000 | 1,425,450 |
| Investments | 5,792,372 | 5,474,033 |
| | ----- | ----- |
| Total Income | 6,862,372 | 6,899,483 |
| | ----- | ----- |
| Expenditure on: | | |
| Investment Management Costs | 4,435,669 | 2,726,700 |
| Charitable Activities | | |
| Grants and Donations | 3,164,280 | 2,805,360 |
| Governance Costs | 71,253 | 71,913 |
| | ----- | ----- |
| Total Expenditure | 7,671,202 | 5,603,973 |
| | ----- | ----- |
| Gains and Losses on Investments | | |
| Loss on Sale of Investment Properties | (4,729) | (3,538) |
| (Deficit)/surplus on Revaluation of Investment Properties | (5,426,911) | 1,606,178 |
| Surplus on Revaluation of Subsidiary Undertakings | 380,000 | 80,000 |
| | ----- | ----- |
| Net (Losses)/Gains on Investments | (5,051,640) | 1,682,640 |
| | ----- | ----- |
| Net (Deficit)/Income for the Year and | | |
| Net Movements of Funds | (5,860,470) | 2,978,150 |
| | ----- | ----- |
| Total Funds Brought Forward | 74,666,247 | 71,688,097 |
| | ----- | ----- |
| Total Funds Carried Forward | 68,805,777 | 74,666,247 |
| | ===== | ===== |

THE SHLOMO MEMORIAL FUND LIMITED

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2023 | | 2022 | |
|--------------------------------------|---------|-------------|---------|-------------|
| | £ | £ | £ | £ |
| Rents and Charges Receivable | | 5,756,460 | | 5,473,790 |
| Deduct: Property outgoings | | | | |
| Rents | 104,814 | | 304,598 | |
| Rates | 31,020 | | 22,853 | |
| Repairs | 184,026 | | 126,853 | |
| Light and Heat | 445,173 | | 316,400 | |
| Porterage and Cleaning | 24,549 | | 30,548 | |
| Insurance | 239,630 | | 89,013 | |
| Service Charges | 21,739 | | 20,418 | |
| Security | 70,326 | | 91,521 | |
| Legal and Professional Charges | 44,666 | | 45,407 | |
| Management Commission | 329,133 | | 324,134 | |
| Letting Fees | 19,910 | | 9,720 | |
| Depreciation – Furniture & Equipment | 2,172 | | 2,897 | |
| | | (1,517,158) | | (1,384,362) |
| | | 4,239,302 | | 4,089,428 |

SHLOMO MEMORIAL FUND LIMITED

England & Wales - Charity number 278973

Accounts

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

Company No: 1393121

FINANCIAL STATEMENTS

for the year ended

30 SEPTEMBER 2022

COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NAME: The Shlomo Memorial Fund Limited

STATUS: Incorporated: 9th October 1978
Registered Charity Number: 278973
Company Registration Number: 1393121

CHARITY TRUSTEES: Mr E Kleinerman
Mrs C Lopian
Mr A Toporowitz
Mr H Toporowitz
Mr C Y Kaufman
Mr M Y Sulam
Mrs E Hoffner

SECRETARY: Mrs C Lopian

PRINCIPAL OFFICE: 11 Bury New Road
Manchester
M25 9JZ

REGISTERED OFFICE: New Burlington House
1075 Finchley Road
LONDON NW11 0PU

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

PRINCIPAL BANKERS: NatWest Bank Plc
Stockton On Tees
Leeds Customer Service Centre
1 Victoria Place
Holbeck
LS11 5AN

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

The Trustees, who are also directors for the purposes of Company Law, have pleasure in presenting their Report, including a Strategic Report, together with the Consolidated Financial Statements of the Parent Charitable Company ('the Company') and its Subsidiary Undertakings for the year ended 30 September 2022.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and Administrative details of the Company are shown on page 1 of the Financial Statements which forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Shlomo Memorial Fund Limited is a Company limited by guarantee and its governing documents are its Memorandum and Articles of Association. It is a registered charity with the Charity Commission.

Organisation

The Company is administered by the Trustees. The Articles of Association of the Company do not require the Trustees to retire by rotation.

The day to day affairs of the Company are administered by the Trustees, the Chairman of which is Mr A Toporowitz.

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

Appointment of Trustees

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

Group Structure and Relationships

The Company has the following wholly owned non-charitable subsidiary undertakings:

| <u>Company</u> | <u>Nature of Business</u> |
|-----------------------|----------------------------------|
| Hartons Limited | Property Investment |
| Neranen Limited | Property Investment |
| Olnato Limited | Property Investment |
| Weymer Limited | Investment Company |

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Group Structure and Relationships (Continued)

Olnato Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|--------------------------------|----------------------------------|
| Cloudpress Limited | Property Investment |
| Smart Mortgage Finance Limited | Provision of Finance |
| Talten Business Park Limited | Property Investment |
| Viewplus Limited | Property Investment |

Viewplus Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|---|-----------------------------------|
| Paramount Care (Gateshead) Limited | Provision of Care Home facilities |
| Paramount Care Services (Gateshead) Limited | Dormant |
| The More Centre (Gateshead) Limited | Provision of Day Care facilities |

The Trustees of this Company include directors of the above companies.

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

OBJECTIVES AND ACTIVITIES FOR THE BENEFIT OF THE PUBLIC

The Company is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law and in furtherance of the aforementioned objects, the Company receives income from its investment properties, cash deposits and subsidiary undertakings which it utilises in the provision and distribution of grants and donations for charitable purposes to organisations that fall within the objectives of the Company. It has concentrated its activities in promoting charitable activities of institutions teaching the principles of traditional Judaism, and the giving of philanthropic aid to the needy.

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

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the Charity. The Trustees are approached for donations by a wide variety of charitable institutions operating in the United Kingdom and abroad. The Trustees consider all requests which they receive and make donations based on the level of funds available.

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 15 to 17 to the Financial Statements.

STRATEGIC REPORT

Strategy and Business Model

The Company invests in investment properties, cash deposits and investments in Subsidiary Undertakings to generate income with which it makes grants and donations to Charitable Organisations and Institutions that fall within the objectives of the Company.

Achievements and Performance

During the year the Company has continued its philanthropic activities and has maintained its support of organisations engaging in education, advancement of religion and the giving of philanthropic aid. The reserves remain available to organisations engaging in activities compatible with the aims and objectives of the Company. The Trustees expect such demands to increase in future years.

The financial results of the Company and its Subsidiary Undertakings for the year ended 30 September 2022 are fully reflected in the attached Financial Statements together with the Notes thereon.

Grants and donations in the year totalled £2,805,360 (2021: £2,278,750).

Financial Review

Financial Position

The financial position of the Company and its subsidiary undertakings is satisfactory.

The Company's Consolidated Statement of Financial Activities shows Net Income for the year of £2,962,360 (2021: £2,665,187) and total reserves of £74,650,384 (2021: £71,688,024).

Reserves Policy

The reserves of the Company are represented by the unrestricted funds arising from past net operating surpluses and include a reserve arising from the unrealised movement in the value of the Company's investment in subsidiary undertakings and its investment properties. By its very nature the element of unrestricted reserves represented by the revaluation surplus of fixed asset investments is not readily available for distribution. The Trustees have adopted a policy that tries to ensure the continuing ability of the Company to meet its objectives. A proportion of reserves are to be invested to generate income at a level, such that the ever-increasing calls on the Company can be met by self-generated income. The level of reserves is under continuous strategic review.

Principal Funding Sources

The Company's principal funding sources in the year were its investment portfolio, together with donations received from subsidiary undertakings.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Financial Review (Continued)

Investment Policy

Under the Memorandum and Articles of Association, the Company has the power to make investments which the Trustees consider appropriate. The Trustees effect investments which, over a medium period of years are anticipated to generate a dependable flow of income coupled with capital growth. The Company's investments are represented by its investment properties and its wholly owned subsidiary undertakings.

Key Performance Indicators

The Trustees monitor the group's performance against the strategic objectives on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial indicators. The key financial performance indicators used by the group are as follows:

| | <u>2022</u> £ | <u>2021</u> £ |
|---------------------------------|-------------------------|-------------------------|
| Grants and donations paid | 2,805,360 | 2,278,750 |
| Net investment income | 3,704,790 | 3,446,095 |
| Net gains on investments | 2,284,698 | 1,035,323 |
| Net movement in funds – surplus | 2,962,360 | 2,665,187 |
| Total Funds | 74,650,384 | 71,688,024 |

Plans For The Future

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

Principal Risks and Uncertainties

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

The principal risks to which the group is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to property from flood, fire or terrorist action
- The availability of liquid funds to make grants and donations
- Uncertainty surrounding the war in Ukraine and the associated macro-economic factors such as increases in inflation and interest rates
- The economic cycle generally

The group seeks to manage or mitigate such risks wherever possible through measures including 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.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the Directors of The Shlomo Memorial Fund Limited for the purposes of Company Law) are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 Company and of the incoming resources and application of resources, including the income and expenditure, of the Charity Group for that period. Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the income and expenditure of the Group for that period. In preparing these Financial Statements, the 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 UK 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 Company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Charity Legislation. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Trustees are aware at the time of approving the Trustees' Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

AUDITORS

The auditors, Cohen Arnold, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Approved by the Trustees on 28 July 2023, including, in their capacity as Company Directors, the Strategic Report contained therein.

By Order of the Trustees

.....
MR C Y KAUFMAN – TRUSTEE

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

OPINION

We have audited the financial statements of The Shlomo Memorial Fund Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charitable company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 about the group's or the parent charitable company'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 directors 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, 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.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company 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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

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, and determined that the most relevant to the presentation of the financial statements are those that relate to the reporting legislation (UK GAAP, the Charities Act 2011 and the Companies Act 2006), the relevant tax regulations in the United Kingdom, the Landlord and Tenant Act, the UK General Data Protection Regulation (GDPR), Health & Safety Regulations and the Bribery Act. We understood how the group is complying with those frameworks through discussion with the directors and senior management, and by identifying the group's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to the directors.
- 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 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, including how fraud might occur, by reviewing the group's identified risks and enquiry with the directors and senior management during the planning and finalisation phases of our audit. 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. Our procedures included reviewing the group's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HMRC, testing transactions outside the normal course of the business and journal entries, and discussions with the directors and senior management.

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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

- 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 group's 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 group or parent charitable company'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 group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

JOSHUA NEUMANN
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

Our audit was completed on 28 July 2023 and our opinion was expressed at that date.

Cohen Arnold is eligible to act as an Auditor in terms of Section 1212 of the Companies Act 2006.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | | 2022 | 2021 |
|--|--------------|---------------------------|---------------------------|
| | Notes | Unrestricted Funds | Unrestricted Funds |
| | | £ | £ |
| Income and endowments from: | | | |
| Donations and legacies | | 450 | - |
| Investments | 4 | 8,430,984 | 7,549,094 |
| Other Trading Activity | 5 | 1,156,802 | 3,233,212 |
| | | <hr/> | <hr/> |
| Total Income | | 9,588,236 | 10,782,306 |
| | | <hr/> | <hr/> |
| Expenditure on: | | | |
| Investment Management Costs | 6 | 4,726,194 | 4,102,999 |
| Other Trading Expenditure | 7 | 980,259 | 2,218,030 |
| Charitable Activities | 8 | 2,877,273 | 2,349,082 |
| | | <hr/> | <hr/> |
| Total Expenditure | | 8,583,726 | 8,670,111 |
| | | <hr/> | <hr/> |
| Gains and Losses on Investments | | | |
| Loss on Sale of Investment Properties | 12 | (19,166) | (223,553) |
| Surplus on Revaluation of Investment Properties | | 2,303,864 | 1,258,876 |
| | | <hr/> | <hr/> |
| Net Gains on Investments | | 2,284,698 | 1,035,323 |
| | | <hr/> | <hr/> |
| Net Income before Tax | | 3,289,208 | 3,147,518 |
| Taxation – charge | 13 | (326,848) | (482,331) |
| | | <hr/> | <hr/> |
| Net Income for the Year and Net Movement in Funds | 14 | 2,962,360 | 2,665,187 |
| | | <hr/> | <hr/> |
| Reconciliation of Funds: | | | |
| Total Funds Brought Forward | | 71,688,024 | 69,022,837 |
| | | <hr/> | <hr/> |
| Total Funds Carried Forward | 23 | £74,650,384 | £71,688,024 |
| | | <hr/> <hr/> | <hr/> <hr/> |

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 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2022

| | <u>Notes</u> | <u>2022</u> | | <u>2021</u> | |
|--|--------------|--------------|-------------|--------------|-------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 15 | | 156,359 | | 184,118 |
| Investment Properties | 16 | | 126,189,000 | | 122,143,500 |
| | | | ----- | | ----- |
| | | | 126,345,359 | | 122,327,618 |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 7,362,062 | | 6,382,694 | |
| Cash at Bank and on Deposit | | 6,027,451 | | 4,302,052 | |
| | | | ----- | | ----- |
| | | | 13,389,513 | | 10,684,746 |
| CREDITORS: Amounts falling due within one year | 19 | (4,221,910) | | (2,670,250) | |
| | | | ----- | | ----- |
| NET CURRENT ASSETS | | | 9,167,603 | | 8,014,496 |
| | | | ----- | | ----- |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 135,512,962 | | 130,342,114 |
| CREDITORS: Amounts falling due after more than one year | 20 | (59,334,065) | | (57,452,425) | |
| Provisions for Liabilities & Charges | 22 | (1,528,513) | | (1,201,665) | |
| | | | ----- | | ----- |
| NET ASSETS | | | £74,650,384 | | £71,688,024 |
| | | | ===== | | ===== |
| The funds of the charitable Group: | | | | | |
| Unrestricted Funds | 23 | | 74,650,384 | | 71,688,024 |
| | | | ----- | | ----- |
| | | | £74,650,384 | | £71,688,024 |
| | | | ===== | | ===== |

The Trustees have prepared Group Financial Statements in accordance with Section 399 of the Companies Act 2006. These Financial Statements constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The Financial Statements were approved by the Trustees on 28 July 2023 and signed on their behalf by:

.....
MR C Y KAUFMAN – TRUSTEE

The notes on pages 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 SEPTEMBER 2022

| | <u>Notes</u> | <u>2022</u> | | <u>2021</u> | |
|--|--------------|-------------|--------------|-------------|--------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 15 | | 8,689 | | 11,586 |
| Investment Properties | 16 | | 75,773,500 | | 73,715,500 |
| Investments | 17 | | 31,680,000 | | 31,600,000 |
| | | | 107,462,189 | | 105,327,086 |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 3,417,321 | | 1,363,260 | |
| Cash at Bank and on Deposit | | 2,390,129 | | 2,032,953 | |
| | | | 5,807,450 | | 3,396,213 |
| CREDITORS: Amounts falling due within one year | 19 | (1,661,730) | | (1,617,022) | |
| | | | 4,145,720 | | 1,779,191 |
| NET CURRENT ASSETS | | | | | |
| | | | 111,607,909 | | 107,106,277 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| CREDITORS: Amounts falling due after more than one year | 20 | | (36,941,662) | | (35,418,180) |
| | | | £74,666,247 | | £71,688,097 |
| NET ASSETS | | | | | |
| The funds of the charitable Company: | | | | | |
| Unrestricted Funds | 23 | | 74,666,247 | | 71,688,097 |
| | | | £74,666,247 | | £71,688,097 |

The Financial Statements were approved by the Trustees and authorised for issue on 28 July 2023 and signed on their behalf by:

.....
MR C Y KAUFMAN – TRUSTEE

Company Registration No: 1393121

The notes on pages 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | <u>Notes</u> | <u>2022</u> £ | <u>2021</u> £ |
|--|--------------|-------------------|--------------------|
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | 25 | (2,368,430) | (2,834,648) |
| Cash flows from investing activities: | | | |
| Interest received | | 244,850 | 296,531 |
| Net rental income received | | 6,350,215 | 5,702,383 |
| Purchase of tangible fixed assets | | (1,175) | (13,387) |
| Purchase of investment properties | | (4,932,025) | (4,008,033) |
| Proceeds from sale of investment properties | | 3,171,223 | 4,750,356 |
| Net cash provided by investing activities | | 4,833,088 | 6,727,850 |
| Cash flows from financing activities: | | | |
| Interest paid | | (2,071,836) | (2,090,786) |
| Increase/(decrease) in bank borrowings | | 2,085,848 | (441,332) |
| Increase in other loan creditors | | 12,882 | 22,341 |
| Increase in other loan debtors | | (766,153) | (222,487) |
| Net cash used in financing activities | | (739,259) | (2,732,264) |
| Change in cash and cash equivalents in the year | | 1,725,399 | 1,160,938 |
| Cash and cash equivalent at the beginning of the year | | 4,302,052 | 3,141,114 |
| Cash and cash equivalent at the end of the year | 25 | £6,027,451 | £4,302,052 |

The notes on pages 16 to 31 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. GENERAL INFORMATION

The Shlomo Memorial Fund Limited ('the Company') is a charitable company limited by guarantee and is incorporated in England and Wales. The Company's registered office is New Burlington House, 1075 Finchley Road, London NW11 0PU. The presentation currency of these Financial Statements is sterling.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

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

3. ACCOUNTING POLICIES

Basis of Preparation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The UK economy is currently facing significant challenges with rising interest rates and heightened inflation, compounded by the impact of the on-going war in Eastern Europe and the increasing risk of recession. Therefore, the directors of The Shlomo Memorial Fund Limited group ("the group") have placed a particular focus on the group's going concern assessment and have considered the principal risks to the group including tenant defaults and increases in the cost of borrowing. This assessment has considered the various probable outcomes of these factors on the group's operations and its future financial performance over the next 12 months. The directors have also considered the likelihood of the group's loan covenants being breached in the coming 12 months and remedy packages if these covenants are breached. These risks are beyond the control of the group and represent uncertainty to the revenue and cash flow of the group for the foreseeable future.

Notwithstanding these uncertainties, the directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern and that there is no material uncertainty to this position, as the directors have a reasonable expectation that the group and the company have adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting their liabilities and commitments as they fall due.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Group Financial Statements

These Financial Statements consolidate the results of the Company and its subsidiaries on a line-by-line basis. A separate statement of financial activities or income and expenditure account dealing with the results of the Company only has not been presented in accordance with Section 408 of the Companies Act 2006.

Judgements and Key Sources of Estimation Uncertainty

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

i. Property valuations

The Group's property portfolio is valued by either an external independent valuer with appropriate qualifications and experience or the directors based on their understanding of property market conditions. The valuation of the Group's properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. ACCOUNTING POLICIES (Continued)

ii. Debtors

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

Income

All donations are recognised in the Statement of Financial Activities (SOFA) of the Company when it has unconditional entitlement to the resources. Donations represent voluntary amounts received during the year.

All other income is recognised on a receivable basis. This includes income from investments and deposits, rentals from property assets, income from the provision of care home facilities and grants and donations received by the Group.

Investment Management Costs

Investment management costs include costs relating to the investment properties on an accruals basis.

Governance Costs

Governance costs include costs of the preparation and audit of financial statements and the costs of any legal advice to Trustees on governance or constitutional matters and is recognised on an accruals basis.

Taxation

The Company is not liable to direct taxation on its income and gains as they fall within the various exemptions available to registered charities. The subsidiary undertakings are subject to Corporation Tax but it is expected that their taxable profits will be gifted for charitable purposes and therefore no tax liability should arise.

Notwithstanding the above, deferred tax is recognised in respect of all timing differences present in the non-charitable subsidiary undertakings. 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.

Liability Recognition

Liabilities are recognised as soon as there is a present obligation committing the entity to pay out resources, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured or estimated reliably.

Fund Accounting

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

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

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

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

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

| | |
|----------------------|-----------------------|
| Plant & Machinery | -25% reducing balance |
| Furniture & Fittings | -25% reducing balance |
| Motor Vehicles | -25% reducing balance |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. ACCOUNTING POLICIES (Continued)

Properties Held for Investment

Properties classified as investments are included in the Balance Sheet at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities. In accordance with FRS 102, no depreciation or amortisation is provided in respect of freehold or long-leasehold investment properties.

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.

Investment in Subsidiary Undertakings

Shareholdings acquired are included in the Financial Statements at fair value; any surplus or deficit on revaluation is taken to the SOFA.

Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities.

Basic Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

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

Trade and other creditors

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

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

4. INVESTMENT INCOME

| | <u>2022</u> | <u>2021</u> |
|-----------------------------------|---------------------------|--------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Income from Investment Properties | 8,053,593 | 7,246,407 |
| Interest Receivable | 377,391 | 302,687 |
| | <hr/> | <hr/> |
| | 8,430,984 | 7,549,094 |
| | <hr/> <hr/> | <hr/> <hr/> |

All investment income is derived from UK investments.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

5. OTHER TRADING ACTIVITY

| | <u>2022</u> | <u>2021</u> |
|----------------------|---------------------------|--------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Income | 1,156,802 | 3,233,212 |
| | 1,156,802 | 3,233,212 |

Other Trading Income relates to the provision of care home facilities operated by the Group.

6. INVESTMENT MANAGEMENT COSTS

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|---------------------------|--------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Investment Property Outgoings | 1,703,378 | 1,544,024 |
| Management and Administration | 668,725 | 602,938 |
| Interest Payable | 2,354,091 | 1,956,037 |
| | 4,726,194 | 4,102,999 |

7. OTHER TRADING EXPENDITURE

| | <u>2022</u> | <u>2021</u> |
|---------------------------|---------------------------|--------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Expenditure | 980,259 | 2,218,030 |
| | 980,259 | 2,218,030 |

Other Trading Expenditure relates to the cost of providing care home facilities operated by the Group.

8. EXPENDITURE ON CHARITABLE ACTIVITIES

| | <u>2022</u> | <u>2021</u> |
|-----------------------------------|---------------------------|--------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Grant funding activities (Note 9) | 2,805,360 | 2,278,750 |
| Governance costs (Note 10) | 71,913 | 70,332 |
| | 2,877,273 | 2,349,082 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. GRANTS AND DONATIONS

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

The following donations were made during the year ended 30 September 2022:

| Recipients of Institutional Grants | £ |
|--|-------------|
| Ziv Hakehilla | 268,500 |
| Layesharim Tehilla | 258,000 |
| Yad Tomechet L'Nizkak Batzafon | 140,000 |
| Beer Ha'olam | 105,850 |
| Chaim Vuchessed Organisation | 103,000 |
| Dorshi Zion Elit | 90,000 |
| Amudei Olam | 89,500 |
| Kupat Tzdaka Leman Aniyei Ramat Bet Shemesh | 72,000 |
| Beis Medrash Tehillas Shlomo | 72,000 |
| Arucha Chama Bechol Yom | 66,000 |
| Yachad Leman Kol Echod Vechod | 66,000 |
| Matan Bsaser | 60,000 |
| Mimamakim Chesed uMarpeh | 59,000 |
| Lehava Shel Torah | 54,000 |
| Meor HaTorah | 54,000 |
| Keren Zichron Shlomo Eretz Yisroel | 48,000 |
| Ohr Chana | 48,000 |
| Shaarei Tehilla | 48,000 |
| Anachnu Vetzeitainu | 45,000 |
| British Friends of Rinat Aharon | 44,000 |
| Bnei Banim Mosdot Torah Vechinuch | 43,200 |
| Tehillas Shlomo | 43,200 |
| Keren Professor Enrico Venachama Batya Levi | 41,500 |
| Mosdot Tora Vadaat Jerusalem and Bet Shemesh | 39,000 |
| Reshet Mosdot Bakrayot Hadatiyot | 38,000 |
| Ateret Avot | 36,000 |
| Beit Vaad Lelimud Vedaat Chaim | 36,000 |
| Birkat Horai | 36,000 |
| Bnei Hayeshivot | 36,000 |
| Friends of Mosdos Torah Veyira | 36,000 |
| HaMercaz leTikun Chatzos | 36,000 |
| Hashutfim Lomdei veTomchei Torah | 36,000 |
| Hitachdut Shem Olam Bet Shemesh | 36,000 |
| Kol HaChinuch | 36,000 |
| Kollel Yeshivas Yosef Chaim | 36,000 |
| Mateh Aharon | 36,000 |
| Peer Avot | 36,000 |
| Pnei Yitzchak | 36,000 |
| Pninei Torah | 36,000 |
| Shaarei Limud | 36,000 |
| Bereshit | 35,000 |
| Mosdot haChinuch haYerushalmi | 33,000 |
| Igud Hakollelim | 32,000 |
| Meorot Zvi | 30,000 |
| | <hr/> |
| | 2,665,750 |
| Other donations (below £30,000) | 139,610 |
| | <hr/> |
| | £2,805,360 |
| | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. ANALYSIS OF GOVERNANCE COSTS

| | <u>2022</u> | <u>2021</u> |
|-----------------------------|-------------|-------------|
| | £ | £ |
| Auditor's remuneration | 50,000 | 51,000 |
| Bookkeeping fees | 3,491 | 4,358 |
| Bank charges | 7,094 | 1,534 |
| Legal and professional fees | 10,624 | 13,370 |
| General expenses | 704 | 70 |
| | <hr/> | <hr/> |
| | 71,913 | 70,332 |
| | <hr/> <hr/> | <hr/> <hr/> |

11. STAFF COSTS AND EMOLUMENTS

| | <u>2022</u> | <u>2021</u> |
|---|--------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| The aggregate payroll costs for the Group were: | | |
| Wages and salaries | 947,791 | 2,056,822 |
| Social security | 63,041 | 155,805 |
| | <hr/> | <hr/> |
| | 1,010,832 | 2,212,627 |
| | <hr/> <hr/> | <hr/> <hr/> |

The average number of staff employed by the Group during the financial year amounted to:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|-------------|-------------|
| Number of nursing staff | 37 | 80 |
| Number of administrative staff | 8 | 15 |
| Number of management staff | 2 | 5 |
| | <hr/> | <hr/> |
| | 47 | 100 |
| | <hr/> <hr/> | <hr/> <hr/> |

12. LOSS ON SALE OF INVESTMENT PROPERTIES

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|--------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net sale proceeds | 3,171,223 | 4,750,356 |
| Book value of properties sold | (3,190,389) | (4,973,909) |
| | <hr/> | <hr/> |
| | (19,166) | (223,553) |
| | <hr/> <hr/> | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. TAXATION

Major components of tax expense

| | <u>2022</u> | <u>2021</u> |
|--|--------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Current tax: | | |
| Current year | - | (210) |
| | ===== | ===== |
| Deferred tax: | | |
| Origination and reversal of timing differences | 326,848 | 255,451 |
| Impact of change in tax rate | - | 227,090 |
| | ----- | ----- |
| | 326,848 | 482,541 |
| | ===== | ===== |
| Tax charge | 326,848 | 482,331 |
| | ===== | ===== |

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

Reconciliation of tax expense

The tax assessed on the net income for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%).

| | <u>2022</u> | <u>2021</u> |
|---|--------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net income before tax | 3,289,208 | 3,147,518 |
| | ===== | ===== |
| Net income by rate of tax | 624,950 | 598,028 |
| Income and gains exempt from tax | (279,899) | (136,297) |
| Expenses not deductible for tax | 171 | 2,345 |
| Effect of capital allowance and depreciation | 1,818 | (1,505) |
| Impact of change in tax rate | - | 227,090 |
| Timing difference on unrealised gains | 194,288 | 135,946 |
| Unused tax losses carried forward | 1,156 | 2,167 |
| Timing difference on gift aid | (218,605) | (365,469) |
| Difference between chargeable gains and profit on sale of investment properties | 2,969 | 39,788 |
| Other differences | - | (19,762) |
| | ----- | ----- |
| Taxation charge | 326,848 | 482,331 |
| | ===== | ===== |

The deferred tax liability at 30 September 2022 has been calculated based on the rate of 25% (2021: 25%).

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. NET MOVEMENT IN FUNDS

This is stated after charging the Group:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------------|---------------------------|--------------------|
| | Unrestricted Funds | |
| Auditor' Remuneration | | |
| Audit fees - Charity | £50,000 | £51,000 |
| Audit fees – Subsidiary undertakings | £71,600 | £69,600 |
| Other fees | - | - |
| Depreciation | £28,934 | £28,401 |
| | £150,534 | £149,001 |

No salaries or wages or other benefits have been paid to the Trustees during the year.

The Company did not meet any individual expenses incurred by the Trustees for services provided to the Company.

Of the Net Movement in Funds of the Group an amount of £2,978,150 (2021: £2,687,354) has been dealt with in the Statement of Financial Activities of the Company itself.

15. TANGIBLE FIXED ASSETS

| THE GROUP | <u>Plant & Machinery</u> | <u>Furniture & Fittings</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|-----------------------|---|--|----------------------------------|---------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 October 2021 | 440,682 | 48,896 | 50,422 | 540,000 |
| Additions | - | 1,175 | - | 1,175 |
| | 440,682 | 50,071 | 50,422 | 541,175 |
| Depreciation | | | | |
| At 1 October 2021 | 302,069 | 29,564 | 24,249 | 355,882 |
| Charge for the Year | 18,982 | 3,409 | 6,543 | 28,934 |
| | 321,051 | 32,973 | 30,792 | 384,816 |
| Net Book Value | | | | |
| At 30 September 2022 | 119,631 | 17,098 | 19,630 | 156,359 |
| At 30 September 2021 | 138,613 | 19,332 | 26,173 | 184,118 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

15. TANGIBLE FIXED ASSETS *(Continued)*

THE COMPANY

| | Fixtures & Fittings £ |
|--|--|
| Cost | |
| At 1 October 2021 and at 30 September 2022 | 40,490 |
| | ===== |
| Depreciation | |
| At 1 October 2021 | 28,904 |
| Charge for the Year | 2,897 |
| | ----- |
| At 30 September 2022 | 31,801 |
| | ===== |
| Net Book Value | |
| At 30 September 2022 | 8,689 |
| | ===== |
| At 30 September 2021 | 11,586 |
| | ===== |

16. INVESTMENT PROPERTIES

THE GROUP

| | Freehold Investment Properties £ | Leasehold Investment Properties £ | Total £ |
|----------------------|---|--|--------------------|
| Fair value | | | |
| At 1 October 2021 | 110,052,000 | 12,091,500 | 122,143,500 |
| Additions | 4,904,137 | 27,888 | 4,932,025 |
| Disposals | (3,110,389) | (80,000) | (3,190,389) |
| Revaluation | 1,766,752 | 537,112 | 2,303,864 |
| | ----- | ----- | ----- |
| At 30 September 2022 | 113,612,500 | 12,576,500 | 126,189,000 |
| | ===== | ===== | ===== |

The investment properties are stated at market value as at 30 September 2022.

Tangible assets held at valuation

An independent professional valuation of the Group's investment properties was carried out at 30 September 2022 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with the RICS Valuation Standards – Red Book Global.

The historical cost of the group's investment properties at 30 September 2022 is £97,146,719 (2021: £95,635,947).

Valuation techniques and key inputs

The valuer's opinion of market value was derived using recent comparable market transactions at arm's length, subject to the existing tenancies or with full vacant possession.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

16. INVESTMENT PROPERTIES

| THE COMPANY | Freehold Investment Properties | Leasehold Investment Properties | Total |
|----------------------|---|--|--------------|
| | £ | £ | £ |
| Fair value | | | |
| At 1 October 2021 | 65,397,000 | 8,318,500 | 73,715,500 |
| Additions | 512,046 | 19,776 | 531,822 |
| Disposals | - | (80,000) | (80,000) |
| Revaluation | 1,250,954 | 355,224 | 1,606,178 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2022 | 67,160,000 | 8,613,500 | 75,773,500 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

An independent professional valuation of the Company's investment properties was carried out at 30 September 2022 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with RICS Valuation Standards - Red Book Global.

The historical cost of the Company's investment properties at 30 September 2022 is £67,563,863 (2021: £67,107,041).

All the Company's investment properties were held in the UK.

17. INVESTMENTS

THE COMPANY

| | At 30 September 2022 | Revaluation | At 1 October 2021 |
|--|---------------------------------|--------------------|------------------------------|
| Investment in Subsidiary Undertakings | £31,680,000 | £80,000 | £31,600,000 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

- a) The Company owns directly or indirectly the whole of the issued ordinary share capital in the following companies, all of which are incorporated in Great Britain and registered in England and Wales.

Directly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|-----------------------|---|
| Hartons Limited | 04572804 |
| Neranen Limited | 09667377 |
| Olnato Limited | 01446600 |
| Weymer Limited | 04572794 |

Indirectly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|---|---|
| Cloudpress Limited | 04592197 |
| Paramount Care (Gateshead) Limited | 07959750 |
| Paramount Care Services (Gateshead) Limited | 07959737 |
| Smart Mortgage Finance Limited | 05628260 |
| Talten Business Park Limited | 02942606 |
| The More Centre (Gateshead) Limited | 08302096 |
| Viewplus Limited | 08276273 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

17. **INVESTMENTS** (*Continued*)

THE COMPANY

- b) The fair value at 30 September 2022 of the Investment in the Subsidiary Undertakings is based on the underlying value of assets less liabilities of those companies. All of the investment properties held by these Subsidiary Undertakings were professionally valued by an independent valuer.

The Company has made no provision for any latent liability to Corporation Tax on unrealised surpluses resulting from the revaluations. It is anticipated that most, if not all, realised surpluses would be applied for the benefit of this Company's charitable purposes and that little, if any, tax liability would arise.

The historical cost of the Company's Investment in Subsidiary Undertakings is £9.

- c) The Financial Statements of the Subsidiary Undertakings are made up annually to September except for Cloudpress Limited and Talten Business Park Limited which are made up annually to December.

The Financial Statements of the Subsidiary Undertakings, whose Financial Statements are non-coterminous with those of the Company, used in preparing the Consolidated Financial Statements, have been prepared as of the reporting date closest to that of the Company.

A summary of turnover and profit or loss for the year is shown below for each subsidiary undertaking:

| <u>Company</u> | <u>Year Ended</u> | <u>Turnover</u> £ | <u>Net Profit/ (Loss) (excluding Gift Aid)</u> £ | <u>Gift Aid</u> £ | <u>Net Profit/ (Loss) for year</u> £ |
|---|--------------------------|-----------------------------|--|-----------------------------|--|
| Cloudpress Ltd | 31.12.22 | 71,294 | 68,332 | (50,000) | 18,332 |
| Hartons Ltd | 30.09.22 | 192,591 | 21,497 | (50,000) | (28,503) |
| Neranen Ltd | 30.09.22 | 1,271,094 | 1,457,339 | (700,000) | 757,339 |
| Olnato Ltd | 30.09.22 | 1,132,314 | 1,011,141 | (200,000) | 811,141 |
| Paramount Care (Gateshead) Ltd | 30.09.22 | 1,156,802 | (161,702) | - | (161,702) |
| Paramount Care Services (Gateshead) Ltd | 30.09.22 | - | - | - | - |
| Smart Mortgage Finance Ltd | 30.09.22 | 250,999 | 932 | - | 932 |
| Talten Business Park Ltd | 31.12.22 | 3,392 | 1,172 | - | 1,172 |
| The More Centre (Gateshead) Ltd | 30.09.22 | - | (6,086) | - | (6,086) |
| Viewplus Ltd | 30.09.22 | 61,100 | (903,415) | (425,000) | (1,328,415) |
| Weymer Ltd | 30.09.22 | - | - | - | - |

The assets, liabilities, capital and reserves of the subsidiary undertakings are as follows:

| <u>Company</u> | <u>Balance Sheet Date</u> | <u>Assets</u> £ | <u>Liabilities</u> £ | <u>Capital & Reserves/ (Deficit)</u> £ |
|---|----------------------------------|---------------------------|--------------------------------|--|
| Cloudpress Ltd | 31.12.22 | 2,333,201 | (1,793,147) | 540,054 |
| Hartons Ltd | 30.09.22 | 2,458,154 | (1,722,478) | 735,676 |
| Neranen Ltd | 30.09.22 | 18,545,093 | (14,333,888) | 4,211,205 |
| Olnato Ltd | 30.09.22 | 36,805,765 | (12,469,179) | 24,336,586 |
| Paramount Care (Gateshead) Ltd | 30.09.22 | 534,099 | (591,760) | (57,661) |
| Paramount Care Services (Gateshead) Ltd | 30.09.22 | - | (316) | (316) |
| Smart Mortgage Finance Ltd | 30.09.22 | 2,979,010 | (2,970,788) | 8,222 |
| Talten Business Park Ltd | 31.12.22 | 2,472,462 | (994,900) | 1,477,562 |
| The More Centre (Gateshead) Ltd | 30.09.22 | 14,364 | (247,427) | (233,063) |
| Viewplus Ltd | 30.09.22 | 5,740,724 | (5,949,581) | (208,857) |
| Weymer Ltd | 30.09.22 | 143,002 | (159,126) | (16,124) |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

18. DEBTORS

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | £ | £ | £ | £ |
| Rent and Service Charges | 2,175,647 | 2,061,553 | - | 1,228,916 |
| Other Debtors and Prepayments | 892,106 | 792,985 | 3,417,321 | 134,344 |
| Loan Debtors | 4,294,309 | 3,528,156 | - | - |
| | <u>7,362,062</u> | <u>6,382,694</u> | <u>3,417,321</u> | <u>1,363,260</u> |

Loan debtors are sterling loans which bear interest at various interest rates ranging from 5% to 9.5% per annum and are repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>The Group</u> | | <u>The Company</u> | |
|------------------------------|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | £ | £ | £ | £ |
| Bank Loans and Overdrafts | 365,343 | 426,731 | - | - |
| Amounts owed to | | | | |
| Group Undertakings | - | - | 14,156 | 617,996 |
| Rent and Service Charges | | | | |
| in Advance | 832,181 | 621,804 | 569,017 | 362,538 |
| Taxation and Social Security | 198,556 | 256,519 | 116,112 | 106,820 |
| Other Creditors and Accruals | 2,825,830 | 1,365,196 | 962,445 | 529,668 |
| | <u>4,221,910</u> | <u>2,670,250</u> | <u>1,661,730</u> | <u>1,617,022</u> |

The Bank Loans and Overdrafts are secured on certain of the Group's properties.

Included in Other Creditors is a loan creditor amounting to £278,478 (2021: £265,596) bearing interest at 5% per annum above base rate and repayable in July 2023.

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

| | <u>The Group</u> | | <u>The Company</u> | |
|---------------------------|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | £ | £ | £ | £ |
| Bank Loans | 59,334,065 | 57,186,829 | 36,941,662 | 35,418,180 |
| Loan Creditor (see below) | - | 265,596 | - | - |
| | <u>59,334,065</u> | <u>57,452,425</u> | <u>36,941,662</u> | <u>35,418,180</u> |

The Loan Creditor is a sterling loan bearing interest at 5% per annum above base rate and repayable in July 2023.

THE SHLOMO MEMORIAL FUND LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2022

21. BANK LOANS

Bank Loans, included in Creditors falling due after more than one year, are analysed as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | £ | £ | £ | £ |
| Repayable within 5 years | 55,089,717 | 51,718,228 | 36,941,662 | 35,418,180 |
| Repayable after 5 years | 4,609,691 | 5,895,332 | - | - |
| | <u>59,699,408</u> | <u>57,613,560</u> | <u>36,941,662</u> | <u>35,418,180</u> |
| Less Amounts Repayable within 1 year | (365,343) | (426,731) | - | - |
| | <u>59,334,065</u> | <u>57,186,829</u> | <u>36,941,662</u> | <u>35,418,180</u> |

Details of loans repayable after 5 years are as follows:

| <u>Loans</u> | <u>Terminating in</u> | <u>Interest Rate</u> | <u>The Group</u> | | <u>The Company</u> | |
|--------------|-----------------------|---|------------------|------------------|--------------------|-------------|
| | | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | | | £ | £ | £ | £ |
| | 2027 | 2.75% above Unity Bank Base Rate | - | 1,026,858 | - | - |
| | 2028 | 2.75% above Unity Bank Base Rate | 1,447,752 | 1,525,317 | - | - |
| | 2030 | 3.00% above Bank Base Rate (subject to a Minimum of 3%) | 3,161,939 | 3,343,157 | - | - |
| | | | <u>4,609,691</u> | <u>5,895,332</u> | <u>-</u> | <u>-</u> |

The Bank Loans and Mortgages are secured by legal charges over certain of the properties of the group.

22. PROVISION FOR LIABILITIES & CHARGES

| | <u>2022</u> | <u>2021</u> |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Balance at the beginning of the year | 1,201,665 | 719,124 |
| Charge for the year | 326,848 | 482,541 |
| | <u>1,528,513</u> | <u>1,201,665</u> |

Deferred tax is recognised in respect of timing differences from the revaluation of assets classified as investments in the non-charitable subsidiary undertakings. Although the provision has been recognised in accordance with FRS 102, it is expected that any realised surpluses will be applied solely for charitable purposes and such tax should not become payable.

Deferred tax has not been recognised in respect of revaluation of investments by the parent Company on the basis that all such gains will be applied for charitable purposes.

THE SHLOMO MEMORIAL FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

23. UNRESTRICTED FUNDS

| The Group | £ |
|--------------------------------|-------------|
| Balance at 1 October 2021 | 71,688,024 |
| Total Income for the year | 9,588,236 |
| Total Expenditure for the year | (8,583,726) |
| Net Gains on Investments | 2,284,698 |
| Taxation – charge | (326,848) |
| | ————— |
| Balance at 30 September 2022 | 74,650,384 |
| | ===== |
| The Company | £ |
| Balance at 1 October 2021 | 71,688,097 |
| Total Income for the year | 6,899,483 |
| Total Expenditure for the year | (5,603,973) |
| Net Gains on Investments | 1,682,640 |
| | ————— |
| Balance at 30 September 2022 | 74,666,247 |
| | ===== |

24. FINANCIAL INSTRUMENTS

| | <u>The Group</u> | | <u>The Company</u> | |
|---|-------------------------|--------------------|---------------------------|--------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | £ | £ | £ | £ |
| <i>Financial assets measured at fair value through income and expenditure:</i> | | | | |
| Unlisted investment (Note 17) | - | - | 31,680,000 | 31,600,000 |
| <i>Financial assets measured at amortised cost:</i> | | | | |
| Debtors (Note 18) | 7,362,062 | 6,382,694 | 3,417,321 | 1,363,260 |
| Cash at bank | 6,027,451 | 4,302,052 | 2,390,129 | 2,032,953 |
| <i>Financial liabilities measured at amortised cost:</i> | | | | |
| Creditors (Notes 19 & 20) | 63,555,975 | 60,122,675 | 38,603,392 | 37,035,202 |
| | ===== | ===== | ===== | ===== |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

25. **NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

Reconciliation of net income to net cash flow from operating activities

| | <u>2022</u> £ | <u>2021</u> £ |
|--|-------------------------|-------------------------|
| Net income for the year | 2,962,360 | 2,665,187 |
| Adjustment for: | | |
| Depreciation | 28,934 | 28,401 |
| Interest receivable | (377,391) | (302,687) |
| Net rental income receivable | (6,350,215) | (5,702,383) |
| Interest payable | 2,354,091 | 1,956,037 |
| Taxation | 326,848 | 482,331 |
| Gains on investment assets | (2,284,698) | (1,035,323) |
| Increase in debtors | (80,674) | (229,621) |
| Increase/(decrease) in creditors | 1,056,005 | (696,590) |
| | (2,364,740) | (2,834,648) |
| Tax paid | (3,690) | - |
| Net cash used in operating activities | £(2,368,430) | £(2,834,648) |

Analysis of cash and cash equivalents

| | <u>2022</u> £ | <u>2021</u> £ |
|--|-------------------------|-------------------------|
| Cash at bank and in hand | 6,027,451 | 4,302,052 |
| Bank overdrafts | - | - |
| Total cash and cash equivalents | 6,027,451 | 4,302,052 |

Analysis of changes in net debt

| | At 1 October 2021 £ | Cash Flows £ | At 30 September 2022 £ |
|---------------------------|---|----------------------------------|--|
| Cash and cash equivalents | 4,302,052 | 1,725,399 | 6,027,451 |
| Bank borrowings | (57,613,560) | (2,085,848) | (59,699,408) |
| Loan debtors | 3,528,156 | 766,153 | 4,294,309 |
| Loan creditors | (265,596) | (12,882) | (278,478) |
| | (50,048,948) | 392,822 | (49,656,126) |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

26. COMMITMENTS UNDER OPERATING LEASES

As Lessee:

At the Balance Sheet date, future minimum lease payments payable by the group under non-cancellable operating leases were as follows:

| | <u>2022</u> £ | <u>2021</u> £ |
|----------------------|-------------------------|-------------------------|
| Within one year | 424,218 | 424,218 |
| In two to five years | 1,696,874 | 1,696,874 |
| More than five years | 43,757,919 | 44,182,138 |
| | <hr/> | <hr/> |
| | 45,879,011 | 46,303,230 |
| | <hr/> <hr/> | <hr/> <hr/> |

As Lessor:

At the Balance Sheet date, future minimum lease payments payable to the group under non-cancellable operating leases were as follows:

| | <u>2022</u> £ | <u>2021</u> £ |
|----------------------|-------------------------|-------------------------|
| Within one year | 4,423,817 | 3,812,713 |
| In two to five years | 12,265,797 | 10,317,425 |
| More than five years | 25,869,736 | 14,831,813 |
| | <hr/> | <hr/> |
| | 42,559,350 | 28,961,951 |
| | <hr/> <hr/> | <hr/> <hr/> |

27. CONTINGENT LIABILITIES AND GUARANTEES

The Group has provided guarantees totalling £54.8m in respect of loan facilities granted to certain Group companies. The balance outstanding on these facilities at 30 September 2022 aggregated £58.9m (2021: £56.6m).

28. CONTROL

The Company, which is incorporated for charitable purposes, has no controlling party.

THE SHLOMO MEMORIAL FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2022 | 2021 |
|---|---------------------------|---------------------------|
| | Unrestricted Funds | Unrestricted Funds |
| | £ | £ |
| Income and endowments from: | | |
| Donations and legacies | 1,425,450 | 2,030,000 |
| Investments | 5,474,033 | 4,769,009 |
| | ----- | ----- |
| Total Income | 6,899,483 | 6,799,009 |
| | ----- | ----- |
| Expenditure on: | | |
| Investment Management Costs | 2,726,700 | 2,318,332 |
| Charitable Activities | | |
| Grants and Donations | 2,805,360 | 2,278,750 |
| Governance Costs | 71,913 | 70,332 |
| | ----- | ----- |
| Total Expenditure | 5,603,973 | 4,667,414 |
| | ----- | ----- |
| Gains and Losses on Investments | | |
| Loss on Sale of Investment Properties | (3,538) | (14,142) |
| Surplus on Revaluation of Investment Properties | 1,606,178 | 629,901 |
| Surplus/(deficit) on Revaluation of Subsidiary Undertakings | 80,000 | (60,000) |
| | ----- | ----- |
| Net Gains on Investments | 1,682,640 | 555,759 |
| | ----- | ----- |
| Net Income for the Year and Net Movements of Funds | 2,978,150 | 2,687,354 |
| | ----- | ----- |
| Total Funds Brought Forward | 71,688,097 | 69,000,743 |
| | ----- | ----- |
| Total Funds Carried Forward | 74,666,247 | 71,688,097 |
| | ===== | ===== |

THE SHLOMO MEMORIAL FUND LIMITED

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2022 | | 2021 | |
|--------------------------------------|---------|-------------|---------|-------------|
| | £ | £ | £ | £ |
| Rents and Charges Receivable | | 5,473,790 | | 4,768,989 |
| Deduct: Property outgoings | | | | |
| Rents | 304,598 | | 346,061 | |
| Rates | 22,853 | | 29,122 | |
| Repairs | 126,853 | | 95,564 | |
| Light and Heat | 316,400 | | 211,180 | |
| Porterage and Cleaning | 30,548 | | 30,302 | |
| Insurance | 89,013 | | 73,216 | |
| Service Charges | 20,418 | | 20,986 | |
| Security | 91,521 | | 51,926 | |
| Legal and Professional Charges | 45,407 | | 61,997 | |
| Management Commission | 324,134 | | 294,925 | |
| Letting Fees | 9,720 | | - | |
| Depreciation – Furniture & Equipment | 2,897 | | 3,862 | |
| | | (1,384,362) | | (1,219,141) |
| | | 4,089,428 | | 3,549,848 |

SHLOMO MEMORIAL FUND LIMITED

England & Wales - Charity number 278973

Accounts

THE SILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

Company No: 1393121

FINANCIAL STATEMENTS

for the year ended

30 SEPTEMBER 2021

COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU

THE SILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NAME: The Shlomo Memorial Fund Limited

STATUS: Incorporated: 9th October 1978
Registered Charity Number: 278973
Company Registration Number: 1393121

CHARITY TRUSTEES: Mr E Kleinerman
Mrs C Lopian
Mr A Toporowitz
Mr H Toporowitz
Mr C Y Kaufman
Mr M Y Sulam
Mrs E Hoffner

SECRETARY: Mrs C Lopian

PRINCIPAL OFFICE: 11 Bury New Road
Manchester
M25 9JZ

REGISTERED OFFICE: New Burlington House
1075 Finchley Road
LONDON NW11 0PU

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

PRINCIPAL BANKERS: NatWest Bank Plc
Stockton On Tees
Leeds Customer Service Centre
1 Victoria Place
Holbeck
LS11 5AN

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

The Trustees, who are also directors for the purposes of Company Law, have pleasure in presenting their Report, including a Strategic Report, together with the Consolidated Financial Statements of the Parent Charitable Company ('the Company') and its Subsidiary Undertakings for the year ended 30 September 2021.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and Administrative details of the Company are shown on page 1 of the Financial Statements which forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Shlomo Memorial Fund Limited is a Company limited by guarantee and its governing documents are its Memorandum and Articles of Association. It is a registered charity with the Charity Commission.

Organisation

The Company is administered by the Trustees. The Articles of Association of the Company do not require the Trustees to retire by rotation.

The day to day affairs of the Company are administered by the Trustees, the Chairman of which is Mr A Toporowitz.

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

Appointment of Trustees

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

Group Structure and Relationships

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

| <u>Company</u> | <u>Nature of Business</u> |
|-----------------|---------------------------|
| Hartons Limited | Property Investment |
| Neranen Limited | Property Investment |
| Olnato Limited | Property Investment |
| Weymer Limited | Investment Company |

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Group Structure and Relationships (Continued)

Olnato Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|--------------------------------|----------------------------------|
| Cloudpress Limited | Property Investment |
| Smart Mortgage Finance Limited | Provision of Finance |
| Talten Business Park Limited | Property Investment |
| Viewplus Limited | Property Investment |

Viewplus Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|---|-----------------------------------|
| Paramount Care (Gateshead) Limited | Provision of Care Home facilities |
| Paramount Care Services (Gateshead) Limited | Dormant |
| The More Centre (Gateshead) Limited | Provision of Day Care facilities |

The Trustees of this Company include directors of the above companies.

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

OBJECTIVES AND ACTIVITIES FOR THE BENEFIT OF THE PUBLIC

The Company is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law and in furtherance of the aforementioned objects, the Company receives income from its investment properties, cash deposits and subsidiary undertakings which it utilises in the provision and distribution of grants and donations for charitable purposes to organisations that fall within the objectives of the Company. It has concentrated its activities in promoting charitable activities of institutions teaching the principles of traditional Judaism, and the giving of philanthropic aid to the needy.

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

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the Charity. The Trustees are approached for donations by a wide variety of charitable institutions operating in the United Kingdom and abroad. The Trustees consider all requests which they receive and make donations based on the level of funds available.

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 15 to 17 to the Financial Statements.

The Group's investment properties and investments are included in the Balance Sheet at fair value as disclosed in Notes 16 and 17 to the Financial Statements.

STRATEGIC REPORT

Strategy and Business Model

The Company invests in investment properties, cash deposits and investments in Subsidiary Undertakings to generate income with which it makes grants and donations to Charitable Organisations and Institutions that fall within the objectives of the Company.

Achievements and Performance

During the year the Company has continued its philanthropic activities and has maintained its support of organisations engaging in education, advancement of religion and the giving of philanthropic aid. The reserves remain available to organisations engaging in activities compatible with the aims and objectives of the Company. The Trustees expect such demands to increase in future years.

The financial results of the Company and its Subsidiary Undertakings for the year ended 30 September 2021 are fully reflected in the attached Financial Statements together with the Notes thereon.

Grants and donations in the year totalled £2,278,750 (2020: £2,790,600).

Financial Review

Financial Position

The financial position of the Company and its subsidiaries is satisfactory.

The Company's Consolidated Statement of Financial Activities shows Net Income for the year of £2,665,187 (2020: £2,154,621) and total reserves of £71,688,024 (2020: £69,022,837).

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Financial Review (Continued)

Reserves Policy

The reserves of the Company are represented by the unrestricted funds arising from past net operating surpluses and include a reserve arising from the unrealised movement in the value of the Company's investment in subsidiary undertakings and its investment properties. By its very nature the element of unrestricted reserves represented by the revaluation surplus of investment in fixed assets is not readily available for distribution. The Trustees have adopted a policy that tries to ensure the continuing ability of the Company to meet its objectives. A proportion of reserves are to be invested to generate income at a level, such that the ever-increasing calls on the Company can be met by self-generated income. The level of reserves is under continuous strategic review.

Principal Funding Sources

The Company's principal funding sources in the year were its investment portfolio, together with donations received from subsidiary undertakings.

Investment Policy

Under the Memorandum and Articles of Association, the Company has the power to make investments which the Trustees consider appropriate. The Trustees effect investments which, over a medium period of years are anticipated to generate a dependable flow of income coupled with capital growth. The Company's investments are represented by its investment properties and its wholly owned subsidiary undertakings.

Key Performance Indicators

The Trustees monitor the group's performance against the strategic objectives on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial indicators. The key financial performance indicators used by the group are as follows:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|--------------------|--------------------|
| | £ | £ |
| Grants and donations paid | 2,278,750 | 2,790,600 |
| Net investment income | 3,446,095 | 2,244,771 |
| Net gains on investments | 1,035,323 | 1,647,555 |
| Net movement in funds – surplus | 2,665,187 | 2,154,621 |
| Total Funds | 71,688,024 | 69,022,837 |

Plans For The Future

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Principal Risks and Uncertainties

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

The principal risks to which the group is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to property from flood, fire or terrorist action
- The availability of liquid funds to make grants and donations
- Uncertainty surrounding the war in Ukraine and the associated macro-economic factors such as increases in inflation and interest rates
- The economic cycle generally

The group seeks to manage or mitigate such risks wherever possible through measures including 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.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the Directors of The Shlomo Memorial Fund Limited for the purposes of Company Law) are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 Company and of the incoming resources and application of resources, including the income and expenditure, of the Charity Group for that period. Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the income and expenditure of the Group for that period. In preparing these Financial Statements, the 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 UK 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 Company will continue in operation.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS
(Continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Charity Legislation. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Trustees are aware at the time of approving the Trustees' Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Cohen Arnold, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Approved by the Trustees on 23-07-2022, including, in their capacity as Company Directors, the Strategic Report contained therein.

By Order of the Trustees


.....
MR C Y KAUFMAN – TRUSTEE

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

OPINION

We have audited the financial statements of The Shlomo Memorial Fund Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2021 and of the group's incoming resources and application of resources 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 Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 about the group's or the parent charitable company'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 directors 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, 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.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company 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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

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, and determined that the most relevant to the presentation of the financial statements are those that relate to the reporting legislation (UK GAAP, the Charities Act 2011 and the Companies Act 2006), the relevant tax regulations in the United Kingdom, the Landlord and Tenant Act, the UK General Data Protection Regulation (GDPR), Health & Safety Regulations and the Bribery Act. We understood how the group is complying with those frameworks through discussion with the directors and senior management, and by identifying the group's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to the directors. 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 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, including how fraud might occur, by reviewing the group's identified risks and enquiry with the directors and senior management during the planning and finalisation phases of our audit. 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. Our procedures included reviewing the group's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HMRC, testing transactions outside the normal course of the business and journal entries, and discussions with the directors and senior management.

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 SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

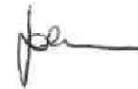
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

- 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 group's 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 group or parent charitable company'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 group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



JOSHUA NEUMANN
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

Our audit was completed on.....28.07.2022..... and our opinion was expressed at that date.

Cohen Arnold is eligible to act as an Auditor in terms of Section 1212 of the Companies Act 2006.

THE SHILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | | 2021 | 2020 |
|--|-------|-------------------------|-------------------------|
| | Notes | Unrestricted Funds £ | Unrestricted Funds £ |
| Income and endowments from: | | | |
| Donations and legacies | | - | 18,000 |
| Investments | 4 | 7,549,094 | 6,904,975 |
| Other Income | | - | 5,190 |
| Other Trading Activity | 5 | 3,233,212 | 3,159,912 |
| | | <hr/> | <hr/> |
| Total Income | | 10,782,306 | 10,088,077 |
| | | <hr/> | <hr/> |
| Expenditure on: | | | |
| Investment Management Costs | 6 | 4,102,999 | 4,660,204 |
| Other Trading Expenditure | 7 | 2,218,030 | 2,024,477 |
| Charitable Activities | 8 | 2,349,082 | 2,854,946 |
| | | <hr/> | <hr/> |
| Total Expenditure | | 8,670,111 | 9,539,627 |
| | | <hr/> | <hr/> |
| Gains and Losses on Investments | | | |
| (Loss)/Profit on Sale of Investment Properties | 12 | (223,553) | 31,055 |
| Surplus on Revaluation of Investment Properties | | 1,258,876 | 1,616,500 |
| | | <hr/> | <hr/> |
| Net Gains on Investments | | 1,035,323 | 1,647,555 |
| | | <hr/> | <hr/> |
| Net Income before Tax | | 3,147,518 | 2,196,005 |
| Taxation – charge | 13 | (482,331) | (41,384) |
| | | <hr/> | <hr/> |
| Net Income for the Year and Net Movement in Funds | 14 | 2,665,187 | 2,154,621 |
| | | <hr/> | <hr/> |
| Reconciliation of Funds: | | | |
| Total Funds Brought Forward | | 69,022,837 | 66,868,216 |
| | | <hr/> | <hr/> |
| Total Funds Carried Forward | 23 | £71,688,024 | £69,022,837 |
| | | <hr/> <hr/> | <hr/> <hr/> |

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 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2021

| | | <u>2021</u> | | <u>2020</u> | |
|--|----|--------------|-------------|--------------|-------------|
| <u>Notes</u> | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 15 | | 184,118 | | 199,132 |
| Investment Properties | 16 | | 122,143,500 | | 121,850,500 |
| | | | 122,327,618 | | 122,049,632 |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 6,382,694 | | 5,924,430 | |
| Cash at Bank and on Deposit | | 4,302,052 | | 3,184,065 | |
| | | | 10,684,746 | | 9,108,495 |
| CREDITORS: Amounts falling due within one year | 19 | (2,670,250) | | (3,477,606) | |
| | | | 8,014,496 | | 5,630,889 |
| NET CURRENT ASSETS | | | 8,014,496 | | 5,630,889 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 130,342,114 | | 127,680,521 |
| CREDITORS: Amounts falling due after more than one year | 20 | (57,452,425) | | (57,938,560) | |
| Provisions for Liabilities & Charges | 22 | (1,201,665) | | (719,124) | |
| | | | £71,688,024 | | £69,022,837 |
| NET ASSETS | | | £71,688,024 | | £69,022,837 |
| The funds of the charitable Group: | | | | | |
| Unrestricted Funds | 23 | | 71,688,024 | | 69,022,837 |
| | | | £71,688,024 | | £69,022,837 |

The Trustees have prepared Group Financial Statements in accordance with Section 399 of the Companies Act 2006. These Financial Statements constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The Financial Statements were approved by the Trustees on 28.07.2021 and signed on their behalf by:

.....
MR C Y KAUFMAN – TRUSTEE

The notes on pages 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 SEPTEMBER 2021

| | <u>Notes</u> | <u>2021</u> | | <u>2020</u> | |
|--|--------------|-------------|--------------|-------------|--------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 15 | | 11,586 | | 15,448 |
| Investment Properties | 16 | | 73,715,500 | | 73,550,000 |
| Investments | 17 | | 31,600,000 | | 31,660,000 |
| | | | 105,327,086 | | 105,225,448 |
| CURRENT ASSETS | | | | | |
| Debtors | 18 | 1,363,260 | | 1,225,648 | |
| Cash at Bank and on Deposit | | 2,032,953 | | 959,139 | |
| | | | 3,396,213 | | 2,184,787 |
| CREDITORS: Amounts falling due within one year | 19 | (1,617,022) | | (3,674,542) | |
| NET CURRENT ASSETS/(LIABILITIES) | | | 1,779,191 | | (1,489,755) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 107,106,277 | | 103,735,693 |
| CREDITORS: Amounts falling due after more than one year | 20 | | (35,418,180) | | (34,734,950) |
| NET ASSETS | | | £71,688,097 | | £69,000,743 |
| The funds of the charitable Company: | | | | | |
| Unrestricted Funds | 23 | | 71,688,097 | | 69,000,743 |
| | | | £71,688,097 | | £69,000,743 |

The Financial Statements were approved by the Trustees and authorised for issue on28-07-2022 and signed on their behalf by:



MR C Y KAUFMAN – TRUSTEE

Company Registration No: 1393121

The notes on pages 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | <u>Notes</u> | <u>2021</u> £ | <u>2020</u> £ |
|--|--------------|--------------------|-------------------|
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | 25 | (2,834,648) | (1,874,134) |
| Cash flows from investing activities: | | | |
| Interest received | | 296,531 | 190,334 |
| Net rental income received | | 5,702,383 | 5,077,222 |
| Purchase of tangible fixed assets | | (13,387) | (34,301) |
| Purchase of investment properties | | (4,008,033) | (5,777,500) |
| Proceeds from sale of investment properties | | 4,750,356 | 180,055 |
| Net cash provided by/(used in) investing activities | | 6,727,850 | (364,190) |
| Cash flows from financing activities: | | | |
| Interest paid | | (2,090,786) | (2,472,511) |
| (Decrease)/Increase in bank borrowings | | (441,332) | 7,157,046 |
| Increase/(decrease) in other loan creditors | | 22,341 | (202,186) |
| Increase in other loan debtors | | (222,487) | (599,846) |
| Net cash (used in)/provided by financing activities | | (2,732,264) | 3,882,503 |
| Change in cash and cash equivalents in the year | | 1,160,938 | 1,644,179 |
| Cash and cash equivalent at the beginning of the year | | 3,141,114 | 1,496,935 |
| Cash and cash equivalent at the end of the year | 25 | £4,302,052 | £3,141,114 |

The notes on pages 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. GENERAL INFORMATION

The Shlomo Memorial Fund Limited ("the Company") is a charitable company limited by guarantee and is incorporated in England and Wales. The Company's registered office is New Burlington House, 1075 Finchley Road, London NW11 0PU. The presentation currency of these Financial Statements is sterling.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

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

3. ACCOUNTING POLICIES

Basis of Preparation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Group Financial Statements

These Financial Statements consolidate the results of the Company and its subsidiaries on a line-by-line basis. A separate statement of financial activities or income and expenditure account dealing with the results of the Company only has not been presented in accordance with Section 408 of the Companies Act 2006.

Judgements and Key Sources of Estimation Uncertainty

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

i. Property valuations

The Group's property portfolio is valued by either an external independent valuer with appropriate qualifications and experience or the directors based on their understanding of property market conditions. The valuation of the Group's properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

ii. Debtors

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

Income

All donations are recognised in the Statement of Financial Activities (SOFA) of the Company when it has unconditional entitlement to the resources. Donations represent voluntary amounts received during the year.

All other income is recognised on a receivable basis. This includes income from investments and deposits, rentals from property assets, income from the provision of care home facilities and grants and donations received by the Group.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Investment Management Costs

Investment management costs include costs relating to the investment properties on an accruals basis.

Governance Costs

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

Taxation

The Company is not liable to direct taxation on its income and gains as they fall within the various exemptions available to registered charities. The subsidiary undertakings are subject to Corporation Tax but it is expected that their taxable profits will be gifted for charitable purposes and therefore no tax liability should arise.

Notwithstanding the above, deferred tax is recognised in respect of all timing differences present in the non-charitable subsidiary undertakings. 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.

Liability Recognition

Liabilities are recognised as soon as there is a present obligation committing the entity to pay out resources, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured or estimated reliably.

Fund Accounting

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

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

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

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. ACCOUNTING POLICIES (Continued)

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

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

| | |
|----------------------|-----------------------|
| Plant & Machinery | -25% reducing balance |
| Furniture & Fittings | -25% reducing balance |
| Motor Vehicles | -25% reducing balance |

Properties Held for Investment

Properties classified as investments are included in the Balance Sheet at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities. In accordance with FRS 102, no depreciation or amortisation is provided in respect of freehold or long-leasehold investment properties.

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.

Investment in Subsidiary Undertakings

Shareholdings acquired are included in the Financial Statements at fair value; any surplus or deficit on revaluation is taken to the SOFA.

Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities.

Basic Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

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

Trade and other creditors

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

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

THE SILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | | |
|-----------------------------------|---------------------------|--------------------|
| 4. INVESTMENT INCOME | <u>2021</u> | <u>2020</u> |
| | Unrestricted Funds | |
| | £ | £ |
| Income from Investment Properties | 7,246,407 | 6,688,328 |
| Interest Receivable | 302,687 | 216,647 |
| | <hr/> | <hr/> |
| | 7,549,094 | 6,904,975 |
| | <hr/> <hr/> | <hr/> <hr/> |

All investment income is derived from UK investments.

| | | |
|----------------------------------|---------------------------|--------------------|
| 5. OTHER TRADING ACTIVITY | <u>2021</u> | <u>2020</u> |
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Income | 3,233,212 | 3,159,912 |
| | <hr/> | <hr/> |

Other Trading Income relates to the provision of care home facilities operated by the Group.

| | | |
|---------------------------------------|---------------------------|--------------------|
| 6. INVESTMENT MANAGEMENT COSTS | <u>2021</u> | <u>2020</u> |
| | Unrestricted Funds | |
| | £ | £ |
| Investment Property Outgoings | 1,544,024 | 1,611,106 |
| Management and Administration | 602,938 | 614,250 |
| Interest Payable | 1,956,037 | 2,434,848 |
| | <hr/> | <hr/> |
| | 4,102,999 | 4,660,204 |
| | <hr/> <hr/> | <hr/> <hr/> |

| | | |
|-------------------------------------|---------------------------|--------------------|
| 7. OTHER TRADING EXPENDITURE | <u>2021</u> | <u>2020</u> |
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Expenditure | 2,218,030 | 2,024,477 |
| | <hr/> | <hr/> |

Other Trading Expenditure relates to the cost of providing care home facilities operated by the Group.

THE SHILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2021 | 2020 |
|-----------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Grant funding activities (Note 9) | 2,278,750 | 2,790,600 |
| Governance costs (Note 10) | 70,332 | 64,346 |
| | 2,349,082 | 2,854,946 |

9. GRANTS AND DONATIONS

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

The following donations were made during the year ended 30 September 2021:

| Recipients of Institutional Grants | £ |
|--|----------|
| Ziv Hakehilla | 241,000 |
| Layesharim Tehilla | 208,500 |
| Yad Tomechet Lnizkak Batzafon | 121,000 |
| Beer Ha'olam | 112,300 |
| Matan Bseser | 104,500 |
| Dorshi Tzion Elit | 70,000 |
| Kupat Tzdaka Leman Aniyei Ramat Bet Shemesh | 66,000 |
| Amudei Olam | 65,000 |
| Arucha Chama Bechol Yom | 53,000 |
| Yachad Leman Kol Echod V'echod | 53,000 |
| Lehava Shel Torah | 49,500 |
| Meor HaTorah | 49,500 |
| Keren Zichron Shlomo Eretz Yisroel | 44,000 |
| Mimamakim Chesed uMarpeh | 44,000 |
| Ohr Chana | 44,000 |
| Shaarei Tehilla | 44,000 |
| Bnei Banim Mosdot Torah Vechinuch | 39,600 |
| Tehillas Shlomo | 38,500 |
| Keren Professor Enrico Venachama Batya Levi | 36,000 |
| Yissochor Beholecho | 36,000 |
| Bnei Hayeshivot | 35,000 |
| Mosdot Tora Vadaat Jerusalem and Bet Shemesh | 35,000 |
| Peer Avot | 33,600 |
| Ateret Avot | 33,000 |
| Beit Vaad Lelimud Vedaat Chaim | 33,000 |
| Birkat Horai | 33,000 |
| HaMercaz le'fikun Chatzos | 33,000 |
| Hashbutfim Lomdei veTomchei Torah | 33,000 |
| Hitachdut Shem Olam Bet Shemesh | 33,000 |
| Kol HaChinuch | 33,000 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. GRANTS AND DONATIONS (Continued)

| Recipients of Institutional Grants | £ |
|---|-----------|
| Kollel Yeshivas Yosef Chaim | 33,000 |
| Mosdot haChinuch haYerushalmi | 33,000 |
| Pnei Yitzchak | 33,000 |
| Pninei Torah | 33,000 |
| Shaarei Limud | 33,000 |
| Yachad Besimcha | 33,000 |
| Meorot Zvi | 28,000 |
| Mateh Aharon | 27,000 |
| British Friends of Rinat Aharon | 26,000 |
| Anachnu Vetzeitzaimu | 22,500 |
| Chaim Vuchessed Organisation | 18,000 |
| Friends of Mosdos Torah | 18,000 |
| Reshet Mosdot Bakrayot Hadatiyot | 18,000 |
| Aguda Lehachzarat Torah Veyhadus Leam | 13,500 |
| Chasei Dov | 13,500 |
| Beis Hillel | 12,000 |
| Igud Hakollelim | 10,000 |
| | 2,258,500 |
| Other donations (below £10,000) | 20,250 |
| | 2,278,750 |

10. ANALYSIS OF GOVERNANCE COSTS

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|--------------------|--------------------|
| | £ | £ |
| Auditor's remuneration | 51,000 | 49,000 |
| Bookkeeping fees | 4,358 | 3,307 |
| Bank charges | 1,534 | 700 |
| Legal and professional fees | 13,370 | 6,163 |
| General expenses | 70 | 5,176 |
| | 70,332 | 64,346 |

THE SHILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. STAFF COSTS AND EMOLUMENTS

| | 2021 | 2020 |
|---|---------------------------|-------------|
| | Unrestricted Funds | |
| The aggregate payroll costs for the Group were: | £ | £ |
| Wages and salaries | 2,056,822 | 1,827,402 |
| Social security | 155,805 | 123,719 |
| | 2,212,627 | 1,951,121 |
| | 2,212,627 | 1,951,121 |

The average number of staff employed by the Group during the financial year amounted to:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|--------------------|--------------------|
| Number of nursing staff | 80 | 80 |
| Number of administrative staff | 15 | 10 |
| Number of management staff | 5 | 6 |
| | 100 | 96 |
| | 100 | 96 |

12. (LOSS)/PROFIT ON SALE OF INVESTMENT PROPERTIES

| | 2021 | 2020 |
|-------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net sale proceeds | 4,750,356 | 180,055 |
| Book value of properties sold | (4,973,909) | (149,000) |
| | (223,553) | 31,055 |
| | (223,553) | 31,055 |

THE SILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

13. TAXATION

Major components of tax expense

| | <u>2021</u> | <u>2020</u> |
|--|---------------------------|---------------|
| | Unrestricted Funds | |
| | £ | £ |
| Current tax: | | |
| Current year | (210) | 3,900 |
| | <hr/> | <hr/> |
| Deferred tax: | | |
| Origination and reversal of timing differences | 255,451 | 37,484 |
| Impact of change in tax rate | 227,090 | - |
| | <hr/> | <hr/> |
| | 482,541 | 37,484 |
| | <hr/> | <hr/> |
| Tax charge | 482,331 | 41,384 |
| | <hr/> | <hr/> |

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

Reconciliation of tax expense

The tax assessed on the net income for the year is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%).

| | <u>2021</u> | <u>2020</u> |
|--|---------------------------|---------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net income before tax | 3,147,518 | 2,196,005 |
| | <hr/> | <hr/> |
| Net income by rate of tax | 598,028 | 417,240 |
| Income and gains exempt from tax | (136,297) | 25,826 |
| Expenses not deductible for tax | 2,345 | - |
| Effect of capital allowance and depreciation | (1,505) | (1,090) |
| Impact of change in tax rate | 227,090 | - |
| Timing difference on unrealised gains | 135,946 | (61,139) |
| Unused tax losses carried forward | 2,167 | - |
| Timing difference on gift aid | (365,469) | (332,633) |
| Effect of indexation on sale of investments | 39,788 | (3,620) |
| Other differences | (19,762) | (3,200) |
| | <hr/> | <hr/> |
| Taxation charge | 482,331 | 41,384 |
| | <hr/> | <hr/> |

The deferred tax liability at 30 September 2021 has been calculated based on the rate of 25% (2020: 19%).

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

14. NET MOVEMENT IN FUNDS

This is stated after charging the Group:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|---------------------------|-------------|
| | <u>Unrestricted Funds</u> | |
| Auditor' Remuneration | | |
| Audit fees - Charity | £51,000 | £49,000 |
| Audit fees – Subsidiary undertakings | £69,600 | £68,800 |
| Other fees | - | - |
| Depreciation | £28,401 | £25,522 |
| | <hr/> | <hr/> |

No salaries or wages or other benefits have been paid to the Trustees during the year.

The Company did not meet any individual expenses incurred by the Trustees for services provided to the Company.

Of the Net Movement in Funds of the Group an amount of £2,687,354 (2020: £2,112,076) has been dealt with in the Statement of Financial Activities of the Company itself.

THE SILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

15. TANGIBLE FIXED ASSETS

| THE GROUP | <u>Plant & Machinery</u> | <u>Furniture & Fittings</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|--|---|--|----------------------------------|---|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 October 2020 | 433,320 | 42,871 | 50,422 | 526,613 |
| Additions | 7,362 | 6,025 | - | 13,387 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2021 | 440,682 | 48,896 | 50,422 | 540,000 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Depreciation | | | | |
| At 1 October 2020 | 286,827 | 25,129 | 15,525 | 327,481 |
| Charge for the Year | 15,242 | 4,435 | 8,724 | 28,401 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2021 | 302,069 | 29,564 | 24,249 | 355,882 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Net Book Value | | | | |
| At 30 September 2021 | 138,613 | 19,332 | 26,173 | 184,118 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 30 September 2020 | 146,493 | 17,742 | 34,897 | 199,132 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| THE COMPANY | | | | <u>Fixtures & Fittings</u> |
| | | | | £ |
| Cost | | | | |
| At 1 October 2020 and at 30 September 2021 | | | | 40,490 |
| | | | | <hr/> |
| Depreciation | | | | |
| At 1 October 2020 | | | | 25,042 |
| Charge for the Year | | | | 3,862 |
| | | | | <hr/> |
| At 30 September 2021 | | | | 28,904 |
| | | | | <hr/> <hr/> |
| Net Book Value | | | | |
| At 30 September 2021 | | | | 11,586 |
| | | | | <hr/> <hr/> |
| At 30 September 2020 | | | | 15,448 |
| | | | | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16. INVESTMENT PROPERTIES

| THE GROUP | Freehold Investment Properties | Leasehold Investment Properties | Total |
|----------------------|---|--|--------------|
| | £ | £ | £ |
| Fair value | | | |
| At 1 October 2020 | 108,922,500 | 12,928,000 | 121,850,500 |
| Additions | 3,993,068 | 14,965 | 4,008,033 |
| Disposals | (3,420,709) | (1,553,200) | (4,973,909) |
| Revaluation | 557,141 | 701,735 | 1,258,876 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2021 | 110,052,000 | 12,091,500 | 122,143,500 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The investment properties are stated at market value as at 30 September 2021.

Tangible assets held at valuation

An independent professional valuation of the Group's investment properties was carried out at 30 September 2021 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with the RICS Valuation Standards – Red Book Global.

The historical cost of the group's investment properties at 30 September 2021 is £95,635,947 (2020: £96,913,595).

Valuation techniques and key inputs

The valuer's opinion of market value was derived using recent comparable market transactions at arm's length, subject to the existing tenancies or with full vacant possession.

| THE COMPANY | Freehold Investment Properties | Leasehold Investment Properties | Total |
|----------------------|---|--|--------------|
| | £ | £ | £ |
| Fair value | | | |
| At 1 October 2020 | 64,320,000 | 9,230,000 | 73,550,000 |
| Additions | 1,073,834 | 14,965 | 1,088,799 |
| Disposals | - | (1,553,200) | (1,553,200) |
| Revaluation | 3,166 | 626,735 | 629,901 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2021 | 65,397,000 | 8,318,500 | 73,715,500 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

An independent professional valuation of the Company's investment properties was carried out at 30 September 2021 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with RICS Valuation Standards - Red Book Global.

The historical cost of the Company's investment properties at 30 September 2021 is £67,107,041 (2020: £67,122,406).

All the Company's investment properties were held in the UK.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

17. INVESTMENTS

THE COMPANY

| | At 30 September 2021 | Revaluation | At 1 October 2020 |
|--|-------------------------|-------------|----------------------|
| Investment in Subsidiary Undertakings | £31,600,000 | £(60,000) | £31,660,000 |

- a) The Company owns directly or indirectly the whole of the issued ordinary share capital in the following companies, all of which are incorporated in Great Britain and registered in England and Wales.

Directly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|-----------------|------------------------------------|
| Hartons Limited | 04572804 |
| Neranen Limited | 09667377 |
| Olnato Limited | 01446600 |
| Weymer Limited | 04572794 |

Indirectly Owned:

| <u>Company</u> | <u>Company Registration Number</u> |
|---|------------------------------------|
| Cloudpress Limited | 04592197 |
| Paramount Care (Gateshead) Limited | 07959750 |
| Paramount Care Services (Gateshead) Limited | 07959737 |
| Smart Mortgage Finance Limited | 05628260 |
| Talten Business Park Limited | 02942606 |
| The More Centre (Gateshead) Limited | 08302096 |
| Viewplus Limited | 08276273 |

- b) The fair value at 30 September 2021 of the Investment in the Subsidiary Undertakings is based on the underlying value of assets less liabilities of those companies. All of the investment properties held by these Subsidiary Undertakings were professionally valued by an independent valuer.

The Company has made no provision for any latent liability to Corporation Tax on unrealised surpluses resulting from the revaluations. It is anticipated that most, if not all, realised surpluses would be applied for the benefit of this Company's charitable purposes and that little, if any, tax liability would arise.

The historical cost of the Company's Investment in Subsidiary Undertakings is £9.

- c) The Financial Statements of the Subsidiary Undertakings are made up annually to September except for Cloudpress Limited and Talten Business Park Limited which are made up annually to December.

The Financial Statements of the Subsidiary Undertakings, whose Financial Statements are non-coterminous with those of the Company, used in preparing the Consolidated Financial Statements, have been prepared as of the reporting date closest to that of the Company.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

17. INVESTMENTS (Continued)

A summary of turnover and profit or loss for the year is shown below for each subsidiary undertaking:

| <u>Company</u> | <u>Year Ended</u> | <u>Turnover</u> £ | <u>Net Profit/ (Loss) (excluding Gift Aid)</u> £ | <u>Gift Aid</u> £ | <u>Net Profit/ (Loss) for year</u> £ |
|---|-------------------|----------------------|---|----------------------|---|
| Cloudpress Ltd | 31.12.21 | 60,914 | 58,732 | (50,000) | 8,732 |
| Hartons Ltd | 30.09.21 | 171,781 | 53,039 | (75,000) | (21,961) |
| Neranen Ltd | 30.09.21 | 1,288,798 | 1,895,982 | (500,000) | 1,395,982 |
| Ohnato Ltd | 30.09.21 | 987,708 | 630,610 | (720,000) | (89,390) |
| Paramount Care (Gateshead) Ltd | 30.09.21 | 3,233,212 | 96,700 | - | 96,700 |
| Paramount Care Services (Gateshead) Ltd | 30.09.21 | - | - | - | - |
| Smart Mortgage Finance Ltd | 30.09.21 | 233,545 | 731 | - | 731 |
| Talten Business Park Ltd | 31.12.21 | - | (2,235) | - | (2,235) |
| The More Centre (Gateshead) Ltd | 30.09.21 | - | (5,742) | - | (5,742) |
| Viewplus Ltd | 30.09.21 | 685,000 | (779,984) | (685,000) | (1,464,984) |
| Weymer Ltd | 30.09.21 | - | - | - | - |

The assets, liabilities, capital and reserves of the subsidiary undertakings are as follows:

| <u>Company</u> | <u>Balance Sheet Date</u> | <u>Assets</u> £ | <u>Liabilities</u> £ | <u>Capital & Reserves/ (Deficit)</u> £ |
|---|---------------------------|--------------------|-------------------------|---|
| Cloudpress Ltd | 31.12.21 | 2,308,668 | (1,786,946) | 521,722 |
| Hartons Ltd | 30.09.21 | 2,517,185 | (1,753,006) | 764,179 |
| Neranen Ltd | 30.09.21 | 18,253,815 | (14,799,949) | 3,453,866 |
| Ohnato Ltd | 30.09.21 | 34,831,076 | (9,305,631) | 25,525,445 |
| Paramount Care (Gateshead) Ltd | 30.09.21 | 718,756 | (614,715) | 104,041 |
| Paramount Care Services (Gateshead) Ltd | 30.09.21 | - | (316) | (316) |
| Smart Mortgage Finance Ltd | 30.09.21 | 2,337,660 | (2,330,370) | 7,290 |
| Talten Business Park Ltd | 31.12.21 | 1,597,682 | (121,292) | 1,476,390 |
| The More Centre (Gateshead) Ltd | 30.09.21 | 14,411 | (241,388) | (226,977) |
| Viewplus Ltd | 30.09.21 | 6,462,660 | (5,343,102) | 1,119,558 |
| Weymer Ltd | 30.09.21 | 158,002 | (174,126) | (16,124) |

THE SILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

18. DEBTORS

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------|------------------|------------------|--------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | £ | £ | £ | £ |
| Rent and Service Charges | 2,061,553 | 1,375,018 | 1,228,916 | 800,587 |
| Other Debtors and Prepayments | 792,985 | 1,243,743 | 134,344 | 425,061 |
| Loan Debtors | 3,528,156 | 3,305,669 | - | - |
| | <u>6,382,694</u> | <u>5,924,430</u> | <u>1,363,260</u> | <u>1,225,648</u> |

Loan debtors are sterling loans which bear interest at various interest rates ranging from 5% to 9.5% per annum and are repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------------|------------------|------------------|--------------------|------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | £ | £ | £ | £ |
| Bank Loans and Overdrafts | 426,731 | 402,538 | - | 33,999 |
| Amounts owed to Group Undertakings | - | - | 617,996 | 1,928,222 |
| Rent and Service Charges in Advance | 621,804 | 471,607 | 362,538 | 239,713 |
| Taxation and Social Security | 256,519 | 243,990 | 106,820 | - |
| Other Creditors and Accruals | 1,365,196 | 2,359,471 | 529,668 | 1,472,608 |
| | <u>2,670,250</u> | <u>3,477,606</u> | <u>1,617,022</u> | <u>3,674,542</u> |

The Bank Loans and Overdrafts are secured on certain of the Group's properties.

THE SILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

| | <u>The Group</u> | | <u>The Company</u> | |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | £ | £ | £ | £ |
| Bank Loans | 57,186,829 | 57,695,305 | 35,418,180 | 34,734,950 |
| Loan Creditor (see below) | 265,596 | 243,255 | - | - |
| | <u>57,452,425</u> | <u>57,938,560</u> | <u>35,418,180</u> | <u>34,734,950</u> |

The Loan Creditor is a sterling loan bearing interest at 5% per annum above base rate and is repayable in July 2023.

21. BANK LOANS

Bank Loans, included in Creditors falling due after more than one year, are analysed as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | £ | £ | £ | £ |
| Repayable within 5 years | 51,718,228 | 51,909,021 | 35,418,180 | 34,734,950 |
| Repayable after 5 years | 5,895,332 | 6,145,871 | - | - |
| | <u>57,613,560</u> | <u>58,054,892</u> | <u>35,418,180</u> | <u>34,734,950</u> |
| Less Amounts Repayable within 1 year | (426,731) | (359,587) | - | - |
| | <u>57,186,829</u> | <u>57,695,305</u> | <u>35,418,180</u> | <u>34,734,950</u> |

Details of loans repayable after 5 years are as follows:

| <u>Loans</u> | <u>Terminating in</u> | <u>Interest Rate</u> | <u>The Group</u> | | <u>The Company</u> | |
|--------------|-----------------------|---|------------------|------------------|--------------------|-------------|
| | | | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | | | £ | £ | £ | £ |
| | 2027 | 2.75% above Unity Bank Base Rate | 1,026,858 | 1,066,145 | - | - |
| | 2028 | 2.75% above Unity Bank Base Rate | 1,525,317 | 1,580,384 | - | - |
| | 2030 | 3.00% above Bank Base Rate (subject to a Minimum of 3%) | 3,343,157 | 3,499,342 | - | - |
| | | | <u>5,895,332</u> | <u>6,145,871</u> | <u>-</u> | <u>-</u> |

The Bank Loans and Mortgages are secured by legal charges over certain of the properties of the group.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

22. PROVISION FOR LIABILITIES & CHARGES

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Balance at the beginning of the year | 719,124 | 681,640 |
| Charge for the year | 482,541 | 37,484 |
| | 1,201,665 | 719,124 |
| | 1,201,665 | 719,124 |

Deferred tax is recognised in respect of timing differences from the revaluation of assets classified as investments in the non-charitable subsidiary undertakings. Although the provision has been recognised in accordance with FRS 102, it is expected that any realised surpluses will be applied solely for charitable purposes and such tax should not become payable.

Deferred tax has not been recognised in respect of revaluation of investments by the parent Company on the basis that all such gains will be applied for charitable purposes.

23. UNRESTRICTED FUNDS

| The Group | £ |
|--------------------------------|--------------|
| Balance at 1 October 2020 | 69,022,837 |
| Total Income for the year | 10,782,306 |
| Total Expenditure for the year | (8,670,111) |
| Net Gains on Investments | 1,035,323 |
| Taxation – charge | (482,331) |
| | 71,688,024 |
| Balance at 30 September 2021 | 71,688,024 |
| The Company | £ |
| Balance at 1 October 2020 | 69,000,743 |
| Total Income for the year | 6,799,009 |
| Total Expenditure for the year | (4,667,414) |
| Net Gains on Investments | 555,759 |
| | 71,688,097 |
| Balance at 30 September 2021 | 71,688,097 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

24. FINANCIAL INSTRUMENTS

| | <u>The Group</u> | | <u>The Company</u> | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| | £ | £ | £ | £ |
| <i>Financial assets measured at fair value through income and expenditure:</i> | | | | |
| Unlisted investment (Note 17) | - | - | 31,600,000 | 31,660,000 |
| <i>Financial assets measured at amortised cost:</i> | | | | |
| Debtors (Note 18) | 6,382,694 | 5,924,430 | 1,363,260 | 1,225,648 |
| <i>Financial liabilities measured at amortised cost:</i> | | | | |
| Creditors (Notes 19 & 20) | 60,122,675 | 61,416,166 | 37,035,202 | 38,409,492 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

25. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of net income to net cash flow from operating activities

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| Net income for the year | 2,665,187 | 2,154,621 |
| Adjustment for: | | |
| Depreciation | 28,401 | 25,522 |
| Interest receivable | (302,687) | (216,647) |
| Net rental income receivable | (5,702,383) | (5,077,222) |
| Interest payable | 1,956,037 | 2,434,848 |
| Taxation | 482,331 | 41,384 |
| Gains on investment assets | (1,035,323) | (1,647,555) |
| (Increase)/decrease in debtors | (229,621) | 977,524 |
| Decrease in creditors | (696,590) | (566,609) |
| | <u> </u> | <u> </u> |
| | (2,834,648) | (1,874,134) |
| Tax paid | - | - |
| | <u> </u> | <u> </u> |
| Net cash used in operating activities | <u>£(2,834,648)</u> | <u>£(1,874,134)</u> |

THE SHILOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

25. **NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**

Analysis of cash and cash equivalents

| | <u>2021</u> £ | <u>2020</u> £ |
|--|--------------------------------|--------------------------------|
| Cash at bank and in hand | 4,302,052 | 3,184,065 |
| Bank overdrafts | = | (42,951) |
| | <hr/> | <hr/> |
| Total cash and cash equivalents | 4,302,052 | 3,141,114 |
| | <hr/> <hr/> | <hr/> <hr/> |

Analysis of changes in net debt

| | At 1 October 2020 £ | Cash Flows £ | At 30 September 2021 £ |
|---------------------------|--|---|---|
| Cash and cash equivalents | 3,141,114 | 1,160,938 | 4,302,052 |
| Bank borrowings | (58,054,892) | 441,332 | (57,613,560) |
| Loan debtors | 3,305,669 | 222,487 | 3,528,156 |
| Loan creditors | (243,255) | (22,341) | (265,596) |
| | <hr/> | <hr/> | <hr/> |
| | (51,851,364) | 1,802,416 | (50,048,948) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

26. **COMMITMENTS UNDER OPERATING LEASES**

As Lessee:

At the Balance Sheet date, future minimum lease payments payable by the group under non-cancellable operating leases were as follows:

| | <u>2021</u> £ | <u>2020</u> £ |
|----------------------|--------------------------------|--------------------------------|
| Within one year | 424,218 | 382,308 |
| In two to five years | 1,696,874 | 1,529,231 |
| More than five years | 44,182,138 | 39,966,585 |
| | <hr/> | <hr/> |
| | 46,303,230 | 41,878,124 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

26. COMMITMENTS UNDER OPERATING LEASES (Continued)

As Lessor:

At the Balance Sheet date, future minimum lease payments payable to the group under non-cancellable operating leases were as follows:

| | <u>2021</u> | <u>2020</u> |
|----------------------|--------------------|--------------------|
| | £ | £ |
| Within one year | 3,812,713 | 3,888,762 |
| In two to five years | 10,317,425 | 11,158,099 |
| More than five years | 14,831,813 | 15,655,549 |
| | <hr/> | <hr/> |
| | 28,961,951 | 30,702,410 |
| | <hr/> | <hr/> |

27. CONTINGENT LIABILITIES AND GUARANTEES

The Group has provided guarantees totalling £53.6m in respect of loan facilities granted to certain Group companies. The balance outstanding on these facilities at 30 September 2021 aggregated £54.3m (2020: £54.9m).

The Company has given a guarantee amounting to £2.9m in respect of a bank facility obtained by United Institutions Charitable Trust. The balance outstanding on this facility at 30 September 2021 was £2.7m (2020: £2.8m).

28. CONTROL

The Company, which is incorporated for charitable purposes, has no controlling party.

THE SHILOMO MEMORIAL FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2021 | 2020 |
|---|---------------------------|---------------------------|
| | Unrestricted Funds | Unrestricted Funds |
| | £ | £ |
| Income and endowments from: | | |
| Donations and legacies | 2,030,000 | 2,196,000 |
| Investments | 4,769,009 | 4,215,028 |
| | <hr/> | <hr/> |
| Total Income | 6,799,009 | 6,411,028 |
| | <hr/> | <hr/> |
| Expenditure on: | | |
| Investment Management Costs | 2,318,332 | 2,611,438 |
| Charitable Activities | | |
| Grants and Donations | 2,278,750 | 2,790,600 |
| Governance Costs | 70,332 | 64,346 |
| | <hr/> | <hr/> |
| Total Expenditure | 4,667,414 | 5,466,384 |
| | <hr/> | <hr/> |
| Gains and Losses on Investments | | |
| Loss on Sale of Investment Properties | (14,142) | - |
| Surplus on Revaluation of Investment Properties | 629,901 | 1,097,432 |
| (Deficit)/Surplus on Revaluation of Subsidiary Undertakings | (60,000) | 70,000 |
| | <hr/> | <hr/> |
| Net Gains on Investments | 555,759 | 1,167,432 |
| | <hr/> | <hr/> |
| Net Income for the Year and | | |
| Net Movements of Funds | 2,687,354 | 2,112,076 |
| | <hr/> | <hr/> |
| Total Funds Brought Forward | 69,000,743 | 66,888,667 |
| | <hr/> | <hr/> |
| Total Funds Carried Forward | 71,688,097 | 69,000,743 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2021 | | 2020 | |
|--------------------------------------|---------|-------------|---------|-------------|
| | £ | £ | £ | £ |
| Rents and Charges Receivable | | 4,768,989 | | 4,214,673 |
| Deduct: Property outgoings | | | | |
| Rents | 346,061 | | 279,686 | |
| Rates | 29,122 | | 64,088 | |
| Repairs | 95,564 | | 87,389 | |
| Light and Heat | 211,180 | | 271,308 | |
| Porterage and Cleaning | 30,302 | | 54,028 | |
| Insurance | 73,216 | | 120,891 | |
| Service Charges | 20,986 | | 24,167 | |
| Security | 51,927 | | 68,350 | |
| Legal and Professional Charges | 61,997 | | 34,885 | |
| Management Commission | 294,925 | | 276,498 | |
| Letting Fees | - | | 9,029 | |
| Depreciation – Furniture & Equipment | 3,862 | | 5,149 | |
| | | (1,219,141) | | (1,295,468) |
| | | 3,549,848 | | 2,919,205 |

SHLOMO MEMORIAL FUND LIMITED

England & Wales - Charity number 278973

Accounts

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

Company No: 1393121

FINANCIAL STATEMENTS

for the year ended

30 SEPTEMBER 2020

COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NAME: The Shlomo Memorial Fund Limited

STATUS: Incorporated: 9th October 1978
Registered Charity Number: 278973
Company Registration Number: 1393121

CHARITY TRUSTEES: Mr E Kleinerman
Mrs C Lopian
Mr A Toporowitz
Mr H Toporowitz
Mr C Y Kaufman
Mr M Y Sulam
Mrs E Hoffner

SECRETARY: Mrs C Lopian

PRINCIPAL OFFICE: 11 Bury New Road
Manchester
M25 9JZ

REGISTERED OFFICE: New Burlington House
1075 Finchley Road
LONDON NW11 0PU

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

PRINCIPAL BANKERS: NatWest Bank Plc
Stockton On Tees
Leeds Customer Service Centre
1 Victoria Place
Holbeck
LS11 5AN

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

The Trustees, who are also directors for the purposes of Company Law, have pleasure in presenting their Report, including a Strategic Report, together with the Consolidated Financial Statements of the Parent Charitable Company ('the Company') and its Subsidiary Undertakings for the year ended 30 September 2020.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and Administrative details of the Company are shown on page 1 of the Financial Statements which forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Shlomo Memorial Fund Limited is a Company limited by guarantee and its governing documents are its Memorandum and Articles of Association. It is a registered charity with the Charity Commission.

Organisation

The Company is administered by the Trustees. The Articles of Association of the Company do not require the Trustees to retire by rotation.

The day to day affairs of the Company are administered by the Trustees, the Chairman of which is Mr A Toporowitz.

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

Appointment of Trustees

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

Group Structure and Relationships

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

| <u>Company</u> | <u>Nature of Business</u> |
|-----------------------|----------------------------------|
| Hartons Limited | Property Investment |
| Neranen Limited | Property Investment |
| Olnato Limited | Property Investment |
| Weymer Limited | Investment Company |

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Group Structure and Relationships (Continued)

Olnato Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|--------------------------------|----------------------------------|
| Cloudpress Limited | Property Investment |
| Smart Mortgage Finance Limited | Provision of Finance |
| Talten Business Park Limited | Property Investment |
| Viewplus Limited | Property Investment |

Viewplus Limited has the following wholly owned subsidiaries:

| <u>Company</u> | <u>Nature of Business</u> |
|---|-----------------------------------|
| Paramount Care (Gateshead) Limited | Provision of Care Home facilities |
| Paramount Care Services (Gateshead) Limited | Dormant |
| The More Centre (Gateshead) Limited | Provision of Day Care facilities |

The Trustees of this Company include directors of the above companies.

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

OBJECTIVES AND ACTIVITIES FOR THE BENEFIT OF THE PUBLIC

The Company is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law and in furtherance of the aforementioned objects, the Company receives income from its investment properties, cash deposits and subsidiary undertakings which it utilises in the provision and distribution of grants and donations for charitable purposes to organisations that fall within the objectives of the Company. It has concentrated its activities in promoting charitable activities of institutions teaching the principles of traditional Judaism, and the giving of philanthropic aid to the needy.

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

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the Charity. The Trustees are approached for donations by a wide variety of charitable institutions operating in the United Kingdom and abroad. The Trustees consider all requests which they receive and make donations based on the level of funds available.

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 15 to 17 to the Financial Statements.

The Group's investment properties and investments are included in the Balance Sheet at fair value as disclosed in Notes 16 and 17 to the Financial Statements.

STRATEGIC REPORT

Strategy and Business Model

The Company invests in investment properties, cash deposits and investments in Subsidiary Undertakings to generate income with which it makes grants and donations to Charitable Organisations and Institutions that fall within the objectives of the Company.

Achievements and Performance

During the year the Company has continued its philanthropic activities and has maintained its support of organisations engaging in education, advancement of religion and the giving of philanthropic aid. The reserves remain available to organisations engaging in activities compatible with the aims and objectives of the Company. The Trustees expect such demands to increase in future years.

The financial results of the Company and its Subsidiary Undertakings for the year ended 30 September 2020 are fully reflected in the attached Financial Statements together with the Notes thereon.

Grants and donations in the year totalled £2,790,600 (2019: £1,908,816).

Financial Review

Financial Position

The financial position of the Company and its subsidiaries is satisfactory.

The Company's Consolidated Statement of Financial Activities shows Net Income for the year of £2,154,621 (2019: £3,654,073) and total reserves of £69,022,837 (2019: £66,868,216).

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Financial Review (Continued)

Reserves Policy

The reserves of the Company are represented by the unrestricted funds arising from past net operating surpluses and include a reserve arising from the unrealised movement in the value of the Company's investment in subsidiary undertakings and its investment properties. By its very nature the element of unrestricted reserves represented by the revaluation surplus of investment in fixed assets is not readily available for distribution. The Trustees have adopted a policy that tries to ensure the continuing ability of the Company to meet its objectives. A proportion of reserves are to be invested to generate income at a level, such that the ever-increasing calls on the Company can be met by self-generated income. The level of reserves is under continuous strategic review.

Principal Funding Sources

The Company's principal funding sources in the year were its investment portfolio, together with donations received from subsidiary undertakings.

Investment Policy

Under the Memorandum and Articles of Association, the Company has the power to make investments which the Trustees consider appropriate. The Trustees effect investments which, over a medium period of years are anticipated to generate a dependable flow of income coupled with capital growth. The Company's investments are represented by its investment properties and its wholly owned subsidiary undertakings.

Key Performance Indicators

The Trustees monitor the group's performance against the strategic objectives on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial indicators. The key financial performance indicators used by the group are as follows:

| | <u>2020</u> | <u>2019</u> |
|---------------------------------|-------------|-------------|
| | £ | £ |
| Grants and donations paid | 2,790,600 | 1,908,816 |
| Net investment income | 2,244,771 | 2,622,966 |
| Net gains on investments | 1,647,555 | 2,504,650 |
| Net movement in funds – surplus | 2,154,621 | 3,654,073 |
| Total Funds | 69,022,837 | 66,868,216 |

Plans For The Future

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

Principal Risks and Uncertainties

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

The principal risks to which the group is exposed are:

- Liabilities arising from property investment activity
- Tenant defaults
- Damage to property from flood, fire or terrorist action
- The availability of liquid funds to make grants and donations
- The economic cycle generally, including the impact of Covid-19

The group seeks to manage or mitigate such risks wherever possible through measures including 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.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the Directors of The Shlomo Memorial Fund Limited for the purposes of Company Law) are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 Company and of the incoming resources and application of resources, including the income and expenditure, of the Charity Group for that period. Under company law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the income and expenditure of the Group for that period. In preparing these Financial Statements, the 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 UK 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 Company will continue in operation.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS
(Continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and Charity Legislation. The Trustees are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Trustees are aware at the time of approving the Trustees' Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Cohen Arnold, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Approved by the Trustees on 13.10.2021, including, in their capacity as Company Directors, the Strategic Report contained therein.

By Order of the Trustees


.....
MR C Y KAUFMAN – TRUSTEE

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

OPINION

We have audited the financial statements of The Shlomo Memorial Fund Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 30 September 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 about the group's or the parent charitable company'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.

However, due to the current macro-economic impact of the Covid-19 pandemic and the higher level of uncertainty observed in the economy, including the uncertainty surrounding Brexit and the associated potential financial costs, we cannot predict all future events or conditions. As subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 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 group's 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 group or parent charitable company'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 group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
THE SHLOMO MEMORIAL FUND LIMITED (Continued)
(LIMITED BY GUARANTEE)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



JOSHUA NEUMANN
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

Our audit was completed on.....13/10/2021..... and our opinion was expressed at that date.

Cohen Arnold is eligible to act as an Auditor in terms of Section 1212 of the Companies Act 2006.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | | 2020 | 2019 |
|--|-------|-------------------------|-------------------------|
| | Notes | Unrestricted Funds £ | Unrestricted Funds £ |
| Income and endowments from: | | | |
| Donations and legacies | | 18,000 | 18,000 |
| Investments | 4 | 6,904,975 | 7,355,870 |
| Other Income | | 5,190 | - |
| Other Trading Activity | 5 | 3,159,912 | 2,596,694 |
| | | <hr/> | <hr/> |
| Total Income | | 10,088,077 | 9,970,564 |
| | | <hr/> | <hr/> |
| Expenditure on: | | | |
| Investment Management Costs | 6 | 4,660,204 | 4,732,904 |
| Other Trading Expenditure | 7 | 2,024,477 | 1,728,367 |
| Charitable Activities | 8 | 2,854,946 | 1,972,058 |
| | | <hr/> | <hr/> |
| Total Expenditure | | 9,539,627 | 8,433,329 |
| | | <hr/> | <hr/> |
| Gains and Losses on Investments | | | |
| Profit on Sale of Investment Properties | 12 | 31,055 | 166,577 |
| Surplus on Revaluation of Investment Properties | | 1,616,500 | 2,338,073 |
| | | <hr/> | <hr/> |
| Net Gains on Investments | | 1,647,555 | 2,504,650 |
| | | <hr/> | <hr/> |
| Net Income before Tax | | 2,196,005 | 4,041,885 |
| Taxation – charge | 13 | (41,384) | (387,812) |
| | | <hr/> | <hr/> |
| Net Income for the Year and Net Movement in Funds | 14 | 2,154,621 | 3,654,073 |
| | | <hr/> | <hr/> |
| Reconciliation of Funds: | | | |
| Total Funds Brought Forward | | 66,868,216 | 63,214,143 |
| | | <hr/> | <hr/> |
| Total Funds Carried Forward | 23 | £69,022,837 | £66,868,216 |
| | | <hr/> | <hr/> |

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 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2020

| | <u>Notes</u> | £ | <u>2020</u> | £ | £ | <u>2019</u> | £ |
|--|--------------|-------------|--------------|-------------|---|--------------|---|
| FIXED ASSETS | | | | | | | |
| Tangible Assets | 15 | | 199,132 | | | 190,353 | |
| Investment Properties | 16 | | 121,850,500 | | | 114,605,500 | |
| | | | <hr/> | | | <hr/> | |
| | | | 122,049,632 | | | 114,795,853 | |
| CURRENT ASSETS | | | | | | | |
| Debtors | 18 | 5,924,430 | | 6,275,795 | | | |
| Cash at Bank and on Deposit | | 3,184,065 | | 1,760,214 | | | |
| | | | <hr/> | | | <hr/> | |
| | | | 9,108,495 | | | 8,036,009 | |
| CREDITORS: Amounts falling due within one year | 19 | (3,477,606) | | (4,255,685) | | | |
| | | | <hr/> | | | <hr/> | |
| NET CURRENT ASSETS | | | 5,630,889 | | | 3,780,324 | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <hr/> | | | <hr/> | |
| | | | 127,680,521 | | | 118,576,177 | |
| CREDITORS: Amounts falling due after more than one year | 20 | | (57,938,560) | | | (51,026,321) | |
| Provisions for Liabilities & Charges | 22 | | (719,124) | | | (681,640) | |
| | | | <hr/> | | | <hr/> | |
| NET ASSETS | | | £69,022,837 | | | £66,868,216 | |
| | | | <hr/> <hr/> | | | <hr/> <hr/> | |
| The funds of the charitable Group: | | | | | | | |
| Unrestricted Funds | 23 | | 69,022,837 | | | 66,868,216 | |
| | | | <hr/> | | | <hr/> | |
| | | | £69,022,837 | | | £66,868,216 | |
| | | | <hr/> <hr/> | | | <hr/> <hr/> | |

The Trustees have prepared Group Financial Statements in accordance with Section 399 of the Companies Act 2006. These Financial Statements constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The Financial Statements were approved by the Trustees on ~~13.10.2021~~ and signed on their behalf by:

.....
MR C Y KAUFMAN – TRUSTEE

The notes on pages 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30 SEPTEMBER 2020

| | <u>Notes</u> | £ | <u>2020</u> | £ | £ | <u>2019</u> | £ |
|--|--------------|-----------|---------------------|-----------|-------|---------------------|---|
| FIXED ASSETS | | | | | | | |
| Tangible Assets | 15 | | 15,448 | | | 20,597 | |
| Investment Properties | 16 | | 73,550,000 | | | 68,025,000 | |
| Investments | 17 | | 31,660,000 | | | 31,590,000 | |
| | | | <hr/> | | | <hr/> | |
| | | | 105,225,448 | | | 99,635,597 | |
| CURRENT ASSETS | | | | | | | |
| Debtors | 18 | 1,225,648 | | 2,277,376 | | | |
| Cash at Bank and on Deposit | | 959,139 | | 936,869 | | | |
| | | | <hr/> | | <hr/> | | |
| | | | 2,184,787 | | | 3,214,245 | |
| CREDITORS: Amounts falling due within one year | 19 | | (3,674,542) | | | (5,230,619) | |
| | | | <hr/> | | | <hr/> | |
| NET CURRENT LIABILITIES | | | (1,489,755) | | | (2,016,374) | |
| | | | <hr/> | | | <hr/> | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 103,735,693 | | | 97,619,223 | |
| CREDITORS: Amounts falling due after more than one year | 20 | | (34,734,950) | | | (30,730,556) | |
| | | | <hr/> | | | <hr/> | |
| NET ASSETS | | | £69,000,743 | | | £66,888,667 | |
| | | | <hr/> | | | <hr/> | |
| The funds of the charitable Company: | | | | | | | |
| Unrestricted Funds | 23 | | 69,000,743 | | | 66,888,667 | |
| | | | <hr/> | | | <hr/> | |
| | | | £69,000,743 | | | £66,888,667 | |
| | | | <hr/> | | | <hr/> | |

The Financial Statements were approved by the Trustees and authorised for issue on ...13/10/2021 and signed on their behalf by:

.....
MR C Y KAUFMAN – TRUSTEE

Company Registration No: 1393121

The notes on pages 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

| | <u>Notes</u> | <u>2020</u> £ | <u>2019</u> £ |
|--|--------------|-------------------|--------------------|
| Cash flows from operating activities: | | | |
| Net cash (used in)/ provided by operating activities | 25 | (1,874,134) | 808,626 |
| Cash flows from investing activities: | | | |
| Interest received | | 190,334 | 462,295 |
| Net rental income received | | 5,077,222 | 5,331,774 |
| Purchase of tangible fixed assets | | (34,301) | (16,378) |
| Purchase of investment properties | | (5,777,500) | (13,803,272) |
| Proceeds from sale of investment properties | | 180,055 | 1,180,422 |
| Net cash used in investing activities | | (364,190) | (6,845,159) |
| Cash flows from financing activities: | | | |
| Interest paid | | (2,472,511) | (2,272,618) |
| Increase in bank borrowings | | 7,157,046 | 6,538,817 |
| (Decrease)/increase in other loan creditors | | (202,186) | 25,113 |
| (Increase)/decrease in other loan debtors | | (599,846) | 720,753 |
| Net cash provided by financing activities | | 3,882,503 | 5,012,065 |
| Change in cash and cash equivalents in the year | | 1,644,179 | (1,024,468) |
| Cash and cash equivalent at the beginning of the year | | 1,496,935 | 2,521,403 |
| Cash and cash equivalent at the end of the year | 25 | £3,141,114 | £1,496,935 |

The notes on pages 16 to 34 form part of these Financial Statements.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL INFORMATION

The Shlomo Memorial Fund Limited ('the Company') is a charitable company limited by guarantee and is incorporated in England and Wales. The Company's registered office is New Burlington House, 1075 Finchley Road, London NW11 0PU. The presentation currency of these Financial Statements is sterling.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Companies Act 2006.

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

3. ACCOUNTING POLICIES

Basis of Preparation

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Group Financial Statements

These Financial Statements consolidate the results of the Company and its subsidiaries on a line-by-line basis. A separate statement of financial activities or income and expenditure account dealing with the results of the Company only has not been presented in accordance with Section 408 of the Companies Act 2006.

Going Concern

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

Notwithstanding the uncertainties, the financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the group and available sources of finance. In reaching their conclusion, the Trustees recognise that the group continues to meet its banking covenants and none of the group's loan facilities are falling due for repayment within the next twelve months. In addition, the Trustees have the ability to exercise control over the Company's grant making charitable activities due to the absence of any legally binding obligations.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. ACCOUNTING POLICIES (Continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements and Key Sources of Estimation Uncertainty

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

i. Property valuations

The Group's property portfolio is valued by either an external independent valuer with appropriate qualifications and experience or the directors based on their understanding of property market conditions. The valuation of the Group's properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

ii. Debtors

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

Income

All donations are recognised in the Statement of Financial Activities (SOFA) of the Company when it has unconditional entitlement to the resources. Donations represent voluntary amounts received during the year.

All other income is recognised on a receivable basis. This includes income from investments and deposits, rentals from property assets, income from the provision of care home facilities and grants and donations received by the Group.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Investment Management Costs

Investment management costs include costs relating to the investment properties on an accrual basis.

Governance Costs

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

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. ACCOUNTING POLICIES (Continued)

Taxation

The Company is not liable to direct taxation on its income and gains as they fall within the various exemptions available to registered charities. The subsidiary undertakings are subject to Corporation Tax but it is expected that their taxable profits will be gifted for charitable purposes and therefore no tax liability should arise.

Notwithstanding the above, deferred tax is recognised in respect of all timing differences present in the non-charitable subsidiary undertakings. 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.

Liability Recognition

Liabilities are recognised as soon as there is a present obligation committing the entity to pay out resources, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured or estimated reliably.

Fund Accounting

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

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

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

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

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

| | |
|----------------------|-----------------------|
| Plant & Machinery | -25% reducing balance |
| Furniture & Fittings | -25% reducing balance |
| Motor Vehicles | -25% reducing balance |

Properties Held for Investment

Properties classified as investments are included in the Balance Sheet at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities. In accordance with FRS 102, no depreciation or amortisation is provided in respect of freehold or long-leasehold investment properties.

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.

Investment in Subsidiary Undertakings

Shareholdings acquired are included in the Financial Statements at fair value; any surplus or deficit on revaluation is taken to the SOFA.

Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. ACCOUNTING POLICIES (Continued)

Basic Financial Instruments

Cash and cash equivalents.

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

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

Trade and other creditors

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

Related Party Transactions

The Company has taken advantage of the exemption of FRS 102 - Related Party Disclosures in order to dispense with the requirement to disclose transactions with members of The Shlomo Memorial Fund Limited Group of Companies.

4. INVESTMENT INCOME

| | 2020 | 2019 |
|-----------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Income from Investment Properties | 6,688,328 | 7,025,921 |
| Interest Receivable | 216,647 | 329,949 |
| | 6,904,975 | 7,355,870 |

All investment income is derived from UK investments.

5. OTHER TRADING ACTIVITY

| | 2020 | 2019 |
|----------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Income | 3,159,912 | 2,596,694 |
| | 3,159,912 | 2,596,694 |

Other Trading Income relates to the provision of care home facilities operated by the Group.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

6. INVESTMENT MANAGEMENT COSTS

| | 2020 | 2019 |
|-------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Investment Property Outgoings | 1,611,106 | 1,694,147 |
| Management and Administration | 614,250 | 732,821 |
| Interest Payable | 2,434,848 | 2,305,936 |
| | 4,660,204 | 4,732,904 |

7. OTHER TRADING EXPENDITURE

| | 2020 | 2019 |
|---------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Other Trading Expenditure | 2,024,477 | 1,728,367 |
| | 2,024,477 | 1,728,367 |

Other Trading Expenditure relates to the cost of providing care home facilities operated by the Group.

8. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2020 | 2019 |
|-----------------------------------|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| Grant funding activities (Note 9) | 2,790,600 | 1,908,816 |
| Governance costs (Note 10) | 64,346 | 63,242 |
| | 2,854,946 | 1,972,058 |

9. GRANTS AND DONATIONS

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

The following donations were made during the year ended 30 September 2020:

| Recipients of Institutional Grants | £ |
|---|----------|
| Layesharim Tehilla | 192,000 |
| Ziv Hakehillla | 184,000 |
| Yad Tomechet LeNizkak Batzafon | 181,000 |
| Matan Bseser | 150,000 |
| Yissochor Beholecho | 145,000 |
| Beer Ha'olam | 114,500 |
| Kupat Tzdaka Leman Aniyei Ramat Bet Shemesh | 76,000 |
| Chaim Vuchesed Organisation | 75,000 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. GRANTS AND DONATIONS (Continued)

| | £ |
|-------------------------------------|-----------|
| Yad Latzafon | 73,500 |
| Arucha Chama Bechol Yom | 65,000 |
| Yachad Meizlish | 65,000 |
| Lehava Shel Torah | 58,500 |
| Meor HaTorah | 58,500 |
| Keren Zichron Shlomo | 52,000 |
| Mimamakim Chesed uMarpeh | 52,000 |
| Shaarei Tehilla | 52,000 |
| Ohr Chana | 51,200 |
| Enrico Fund | 51,000 |
| Bnei Banim Mosdot Torah Vechinuch | 46,800 |
| Tehillas Shlomo | 46,800 |
| Nachlat Haleviim | 42,000 |
| Anachnu Vetzeitainu | 39,000 |
| Ateret Avot | 39,000 |
| Beit Vaad Lelimud Vedaat Chaim | 39,000 |
| Birkat Horai | 39,000 |
| Bnei Hayeshivot Meizlish | 39,000 |
| HaMercaz leTikun Chatzos | 39,000 |
| Hashutfim Lomdei veTomchei Torah | 39,000 |
| Hitachdut Shem Olam Bet Shemesh | 39,000 |
| Kollel Yeshivas Yosef Chaim | 39,000 |
| Mosdot haChinuch haYerushalmi | 39,000 |
| Peer Avot | 39,000 |
| Pnei Yitzchak | 39,000 |
| Shaarei Limud | 39,000 |
| Yachad Besimcha | 39,000 |
| Kol HaChinuch | 36,000 |
| Mosdot Tora Vadaat Jerusalem and Be | 36,000 |
| Pninei Torah | 36,000 |
| Meorot Zvi | 33,500 |
| Minchat Yehuda | 31,000 |
| Dorshi Tzion Elit | 26,000 |
| Beis Hillel | 25,000 |
| Chanichei Yeshivas Slabodka | 23,000 |
| Friends of Mosdos Torah | 21,000 |
| Yeshivas Mateh Aharon | 21,000 |
| Igud Hakollelim | 18,000 |
| Mateh Aharon | 18,000 |
| Colel Lavrechim Behir Beitar | 17,000 |
| Mercaz Ruchni Ayelet Hashachar | 12,000 |
| Shlavim Betaasuka | 10,000 |
| USA Tehillas Shlomo | 10,000 |
| Yeshiva LZeirim | 10,000 |
| | 2,761,300 |
| Other donations (below £10,000) | 29,300 |
| | 2,790,600 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. ANALYSIS OF GOVERNANCE COSTS

| | <u>2020</u> | <u>2019</u> |
|-----------------------------|--------------------|--------------------|
| | £ | £ |
| Auditor's remuneration | 49,000 | 49,000 |
| Bookkeeping fees | 3,307 | 3,787 |
| Bank charges | 700 | 857 |
| Legal and professional fees | 6,163 | 7,703 |
| General expenses | 5,176 | 1,895 |
| | 64,346 | 63,242 |
| | 64,346 | 63,242 |

11. STAFF COSTS AND EMOLUMENTS

| | 2020 | 2019 |
|---|---------------------------|-------------|
| | Unrestricted Funds | |
| | £ | £ |
| The aggregate payroll costs for the Group were: | | |
| Wages and salaries | 1,827,402 | 1,694,365 |
| Social security | 123,719 | 109,594 |
| | 1,951,121 | 1,803,959 |
| | 1,951,121 | 1,803,959 |

The average number of staff employed by the Group during the financial year amounted to:

| | <u>2020</u> | <u>2019</u> |
|--------------------------------|--------------------|--------------------|
| Number of nursing staff | 80 | 81 |
| Number of administrative staff | 10 | 7 |
| Number of management staff | 6 | 5 |
| | 96 | 93 |
| | 96 | 93 |

12. PROFIT ON SALE OF INVESTMENT PROPERTIES

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|---------------------------|--------------------|
| | Unrestricted Funds | |
| | £ | £ |
| Net sale proceeds | 180,055 | 1,180,422 |
| Book value of properties sold | (149,000) | (1,013,845) |
| | 31,055 | 166,577 |
| | 31,055 | 166,577 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. TAXATION

Major components of tax expense

| | <u>2020</u> | <u>2019</u> |
|--|---------------------------|-------------------|
| | <u>Unrestricted Funds</u> | |
| | £ | £ |
| Current tax: | | |
| Current year | 3,900 | - |
| | <u> </u> | <u> </u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | 37,484 | 387,812 |
| | <u> </u> | <u> </u> |
| Tax charge | <u>41,384</u> | <u>387,812</u> |

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

Reconciliation of tax expense

The tax assessed on the net income for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%).

| | <u>2020</u> | <u>2019</u> |
|--|---------------------------|-------------------|
| | <u>Unrestricted Funds</u> | |
| | £ | £ |
| Net income before tax | 2,196,005 | 4,041,885 |
| | <u> </u> | <u> </u> |
| Net income by rate of tax | 417,240 | 767,957 |
| Income and gains exempt from tax | 25,826 | (126,793) |
| Expenses not deductible for tax | - | 31 |
| Effect of capital allowance and depreciation | (1,090) | 660 |
| Impact of change in tax rate | - | 42,450 |
| Timing difference on unrealised gains | (61,139) | 63,371 |
| Unused tax losses carried forward | - | 32,882 |
| Timing difference on gift aid | (332,633) | (345,186) |
| Effect of indexation on sale of investments | (3,620) | (53,239) |
| Other differences | (3,200) | 5,679 |
| | <u> </u> | <u> </u> |
| Taxation charge | <u>41,384</u> | <u>387,812</u> |

The deferred tax liability at 30 September 2020 has been calculated based on the rate of 19% (2019: 19%).

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. NET MOVEMENT IN FUNDS

This is stated after charging the Group:

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------|-----------------------------|-----------------------------|
| | Unrestricted Funds | |
| Auditor' Remuneration | | |
| Audit fees - Charity | £49,000 | £49,000 |
| Audit fees – Subsidiary undertakings | £68,800 | £72,000 |
| Other fees | - | - |
| Depreciation | £25,522 | £37,799 |
| | <u> </u> | <u> </u> |

No salaries or wages or other benefits have been paid to the Trustees during the year.

The Company did not meet any individual expenses incurred by the Trustees for services provided to the Company.

Of the Net Movement in Funds of the Group an amount of £2,112,076 (2019: £3,673,332) has been dealt with in the Statement of Financial Activities of the Company itself.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. TANGIBLE FIXED ASSETS

| THE GROUP | <u>Plant & Machinery</u> | <u>Furniture & Fittings</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|-----------------------|---|--|----------------------------------|---|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 October 2019 | 432,571 | 40,490 | 19,251 | 492,312 |
| Additions | 749 | 2,381 | 31,171 | 34,301 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2020 | 433,320 | 42,871 | 50,422 | 526,613 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Depreciation | | | | |
| At 1 October 2019 | 268,408 | 19,893 | 13,658 | 301,959 |
| Charge for the Year | 18,419 | 5,236 | 1,867 | 25,522 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2020 | 286,827 | 25,129 | 15,525 | 327,481 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Net Book Value | | | | |
| At 30 September 2020 | 146,493 | 17,742 | 34,897 | 199,132 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 30 September 2019 | 164,163 | 20,597 | 5,593 | 190,353 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| THE COMPANY | | | | <u>Fixtures & Fittings</u> |
| | | | | £ |
| Cost | | | | |
| At 1 October 2019 | | | | 40,490 |
| Additions | | | | - |
| | | | | <hr/> |
| At 30 September 2020 | | | | 40,490 |
| | | | | <hr/> <hr/> |
| Depreciation | | | | |
| At 1 October 2019 | | | | 19,893 |
| Charge for the Year | | | | 5,149 |
| | | | | <hr/> |
| At 30 September 2020 | | | | 25,042 |
| | | | | <hr/> <hr/> |
| Net Book Value | | | | |
| At 30 September 2020 | | | | 15,448 |
| | | | | <hr/> <hr/> |
| At 30 September 2019 | | | | 20,597 |
| | | | | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. INVESTMENT PROPERTIES

| THE GROUP | Freehold Investment Properties | Leasehold Investment Properties | Total |
|----------------------|---|--|--------------|
| | £ | £ | £ |
| Fair value | | | |
| At 1 October 2019 | 102,387,500 | 12,218,000 | 114,605,500 |
| Additions | 5,775,876 | 1,624 | 5,777,500 |
| Disposals | (149,000) | - | (149,000) |
| Revaluation | 908,124 | 708,376 | 1,616,500 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2020 | 108,922,500 | 12,928,000 | 121,850,500 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The investment properties are stated at market value as at 30 September 2020.

Tangible assets held at valuation

An independent professional valuation of the Group's investment properties was carried out at 30 September 2020 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with the RICS Valuation Standards – Red Book Global.

The historical cost of the group's investment properties at 30 September 2020 is £96,913,595 (2019: £91,250,847).

Valuation techniques and key inputs

The valuer's opinion of market value was derived using recent comparable market transactions at arm's length, subject to the existing tenancies or with full vacant possession.

The Covid-19 pandemic, together with the associated lockdown, has impacted market activity. Given these unprecedented circumstances, the above valuations are deemed to be uncertain on the basis that the assumptions upon which they are based may prove to be inaccurate. Consequently, a higher degree of caution should be attached to the valuations than would normally be the case.

| THE COMPANY | Freehold Investment Properties | Leasehold Investment Properties | Total |
|----------------------|---|--|--------------|
| | £ | £ | £ |
| Fair value | | | |
| At 1 October 2019 | 59,420,000 | 8,605,000 | 68,025,000 |
| Additions | 4,425,944 | 1,624 | 4,427,568 |
| Revaluation | 474,056 | 623,376 | 1,097,432 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2020 | 64,320,000 | 9,230,000 | 73,550,000 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

An independent professional valuation of the Company's investment properties was carried out at 30 September 2020 by Lambert Smith Hampton, RICS registered valuers. The valuation is based on open market values in accordance with RICS Valuation Standards - Red Book Global.

The historical cost of the Company's investment properties at 30 September 2020 is £67,122,406 (2019: £62,694,838).

All the Company's investment properties were held in the UK.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

17. INVESTMENTS (Continued)

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

| <u>Company</u> | <u>Year Ended</u> | <u>Turnover</u> £ | <u>Net Profit/ (Loss) (excluding Gift Aid)</u> £ | <u>Gift Aid</u> £ | <u>Net Profit/ (Loss) for year</u> £ |
|---|-------------------|----------------------|---|----------------------|---|
| Cloudpress Ltd | 31.12.20 | 59,568 | 57,278 | (200,000) | (142,722) |
| Hartons Ltd | 30.09.20 | 171,950 | 47,302 | - | 47,302 |
| Neranen Ltd | 30.09.20 | 1,304,041 | 532,261 | (750,000) | (217,739) |
| Olnato Ltd | 30.09.20 | 969,876 | 984,783 | (663,000) | 321,783 |
| Paramount Care (Gateshead) Ltd | 30.09.20 | 3,159,912 | 21,497 | - | 21,497 |
| Paramount Care Services (Gateshead) Ltd | 30.09.20 | - | - | - | - |
| Smart Mortgage Finance Ltd | 30.09.20 | 167,215 | (282) | - | (282) |
| Talten Business Park Ltd | 31.12.20 | - | (2,241) | - | (2,241) |
| The More Centre (Gateshead) Ltd | 30.09.20 | - | (32,317) | - | (32,317) |
| Viewplus Ltd | 30.09.20 | 850,000 | 654,264 | (565,000) | 89,264 |
| Weymer Ltd | 30.09.20 | - | - | - | - |

The assets, liabilities, capital and reserves of the subsidiary undertakings are as follows:

| <u>Company</u> | <u>Balance Sheet Date</u> | <u>Assets</u> £ | <u>Liabilities</u> £ | <u>Capital & Reserves/ (Deficit)</u> £ |
|---|---------------------------|--------------------|-------------------------|---|
| Cloudpress Ltd | 31.12.20 | 2,312,780 | (1,799,790) | 512,990 |
| Hartons Ltd | 30.09.20 | 2,512,668 | (1,726,528) | 786,140 |
| Neranen Ltd | 30.09.20 | 16,555,979 | (14,498,095) | 2,057,884 |
| Olnato Ltd | 30.09.20 | 36,019,602 | (10,404,767) | 25,614,835 |
| Paramount Care (Gateshead) Ltd | 30.09.20 | 795,896 | (788,555) | 7,341 |
| Paramount Care Services (Gateshead) Ltd | 30.09.20 | - | (316) | (316) |
| Smart Mortgage Finance Ltd | 30.09.20 | 2,524,758 | (2,518,199) | 6,559 |
| Talten Business Park Ltd | 31.12.20 | 1,486,017 | (7,392) | 1,478,625 |
| The More Centre (Gateshead) Ltd | 30.09.20 | 14,411 | (235,646) | (221,235) |
| Viewplus Ltd | 30.09.20 | 8,192,033 | (5,607,491) | 2,584,542 |
| Weymer Ltd | 30.09.20 | 158,002 | (174,126) | (16,124) |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. DEBTORS

| | <u>The Group</u> | | <u>The Company</u> | |
|-------------------------------|------------------|------------------|--------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | £ | £ | £ | £ |
| Rent and Service Charges | 1,375,018 | 1,650,689 | 800,587 | 887,993 |
| Other Debtors and Prepayments | 1,243,743 | 1,919,283 | 425,061 | 1,389,383 |
| Loan Debtors | 3,305,669 | 2,705,823 | - | - |
| | <u>5,924,430</u> | <u>6,275,795</u> | <u>1,225,648</u> | <u>2,277,376</u> |

Loan debtors are sterling loans which bear interest at various interest rates ranging from 5% to 9.5% per annum and are repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|------------------|--------------------|------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | £ | £ | £ | £ |
| Bank Loans and Overdrafts | 402,538 | 580,245 | 33,999 | 263,279 |
| Amounts owed to Group Undertakings | - | - | 1,928,222 | 3,265,178 |
| Rent and Service Charges in Advance | 471,607 | 633,931 | 239,713 | 462,458 |
| Taxation and Social Security | 243,990 | 309,721 | - | - |
| Other Creditors and Accruals | 2,359,471 | 2,731,788 | 1,472,608 | 1,239,704 |
| | <u>3,477,606</u> | <u>4,255,685</u> | <u>3,674,542</u> | <u>5,230,619</u> |

The Bank Loans and Overdrafts are secured on certain of the Group's properties.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

| | <u>The Group</u> | | <u>The Company</u> | |
|---------------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | £ | £ | £ | £ |
| Bank Loans | 57,695,305 | 50,580,880 | 34,734,950 | 30,730,556 |
| Loan Creditor (see below) | 243,255 | 445,441 | - | - |
| | <u>57,938,560</u> | <u>51,026,321</u> | <u>34,734,950</u> | <u>30,730,556</u> |

The Loan Creditor is a sterling loan bearing interest at 5% per annum and is repayable in December 2021.

21. BANK LOANS

Bank Loans, included in Creditors falling due after more than one year, are analysed as follows:

| | <u>The Group</u> | | <u>The Company</u> | |
|--------------------------------------|-------------------|-------------------|--------------------|-------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | £ | £ | £ | £ |
| Repayable within 5 years | 51,909,021 | 48,101,573 | 34,734,950 | 30,730,556 |
| Repayable after 5 years | 6,145,871 | 2,796,273 | - | - |
| | <u>58,054,892</u> | <u>50,897,846</u> | <u>34,734,950</u> | <u>30,730,556</u> |
| Less Amounts Repayable within 1 year | (359,587) | (316,966) | - | - |
| | <u>57,695,305</u> | <u>50,580,880</u> | <u>34,734,950</u> | <u>30,730,556</u> |

Details of loans repayable after 5 years are as follows:

| <u>Loans</u> | <u>Terminating in</u> | <u>Interest Rate</u> | <u>The Group</u> | | <u>The Company</u> | |
|--------------|-----------------------|---|------------------|------------------|--------------------|-------------|
| | | | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | | | £ | £ | £ | £ |
| | 2027 | 2.75% above Unity Bank Base Rate | 1,066,145 | 1,182,237 | - | - |
| | 2028 | 2.75% above Unity Bank Base Rate | 1,580,384 | 1,614,036 | - | - |
| | 2030 | 3.00% above Bank Base Rate (subject to a Minimum of 3%) | 3,499,342 | - | - | - |
| | | | <u>6,145,871</u> | <u>2,796,273</u> | <u>-</u> | <u>-</u> |

The Bank Loans and Mortgages are secured by legal charges over certain of the properties of the group.

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

22. PROVISION FOR LIABILITIES & CHARGES

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Balance at the beginning of the year | 681,640 | 293,828 |
| Charge for the year | 37,484 | 387,812 |
| | 719,124 | 681,640 |
| Balance at the end of the year | 719,124 | 681,640 |

Deferred tax is recognised in respect of timing differences from the revaluation of assets classified as investments in the non-charitable subsidiary undertakings. Although the provision has been recognised in accordance with FRS 102, it is expected that any realised surpluses will be applied solely for charitable purposes and such tax should not become payable.

Deferred tax has not been recognised in respect of revaluation of investments by the parent Company on the basis that all such gains will be applied for charitable purposes.

23. UNRESTRICTED FUNDS

| The Group | £ |
|--------------------------------|-------------|
| Balance at 1 October 2019 | 66,868,216 |
| Total Income for the year | 10,088,077 |
| Total Expenditure for the year | (9,539,627) |
| Net Gains on Investments | 1,647,555 |
| Taxation – charge | (41,384) |
| | 69,022,837 |
| | 69,022,837 |
| The Company | £ |
| Balance at 1 October 2019 | 66,888,667 |
| Total Income for the year | 6,411,028 |
| Total Expenditure for the year | (5,466,384) |
| Net Gains on Investments | 1,167,432 |
| | 69,000,743 |
| | 69,000,743 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. FINANCIAL INSTRUMENTS

| | <u>The Group</u> | | <u>The Company</u> | |
|--|------------------|-------------|--------------------|-------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| | £ | £ | £ | £ |
| <i>Financial assets measured at fair value through income and expenditure:</i> | | | | |
| Unlisted investment (Note 17) | - | - | 31,660,000 | 31,590,000 |
| <i>Financial assets measured at amortised cost:</i> | | | | |
| Debtors (Note 18) | 5,924,430 | 6,275,795 | 1,225,648 | 2,277,376 |
| <i>Financial liabilities measured at amortised cost:</i> | | | | |
| Creditors (Notes 19 & 20) | 61,416,166 | 55,282,006 | 38,409,492 | 35,961,175 |

25. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of net income to net cash flow from operating activities

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|-----------------|
| | £ | £ |
| Net income for the year | 2,154,621 | 3,654,073 |
| Adjustment for: | | |
| Depreciation | 25,522 | 37,799 |
| Loss on sale of fixed assets | - | 164 |
| Interest receivable | (216,647) | (329,949) |
| Net rental income receivable | (5,077,222) | (5,331,774) |
| Interest payable | 2,434,848 | 2,305,936 |
| Taxation | 41,384 | 387,812 |
| Gains on investment assets | (1,647,555) | (2,504,650) |
| Decrease in debtors | 977,524 | 1,742,262 |
| (Decrease)/Increase in creditors | (566,609) | 846,953 |
| | (1,874,134) | 808,626 |
| Tax paid | - | - |
| Net cash (used in)/provided by operating activities | £(1,874,134) | £808,626 |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

25. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (*Continued*)

Analysis of cash and cash equivalents

| | <u>2020</u> £ | <u>2019</u> £ |
|--|------------------|------------------|
| Cash at bank and in hand | 3,184,065 | 1,760,214 |
| Bank overdrafts | (42,951) | (263,279) |
| | <hr/> | <hr/> |
| Total cash and cash equivalents | 3,141,114 | 1,496,935 |
| | <hr/> <hr/> | <hr/> <hr/> |

Analysis of changes in net debt

| | At 1 October 2019 £ | Cash Flows £ | At 30 September 2020 £ |
|---------------------------|---------------------------------------|----------------------------|--|
| Cash and cash equivalents | 1,496,935 | 1,644,179 | 3,141,114 |
| Bank borrowings | (50,897,846) | (7,157,046) | (58,054,892) |
| Loan debtors | 2,705,823 | 599,846 | 3,305,669 |
| Loan creditors | (445,441) | 202,186 | (243,255) |
| | <hr/> | <hr/> | <hr/> |
| | (47,140,529) | (4,710,835) | (51,851,364) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

26. COMMITMENTS UNDER OPERATING LEASES

As Lessee:

At the Balance Sheet date, future minimum lease payments payable by the group under non-cancellable operating leases were as follows:

| | <u>2020</u> £ | <u>2019</u> £ |
|----------------------|-------------------|-------------------|
| Within one year | 382,308 | 356,358 |
| In two to five years | 1,529,231 | 1,425,431 |
| More than five years | 39,966,585 | 38,121,095 |
| | <hr/> | <hr/> |
| | 41,878,124 | 39,902,884 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

26. COMMITMENTS UNDER OPERATING LEASES (Continued)

As Lessor:

At the Balance Sheet date, future minimum lease payments payable to the group under non-cancellable operating leases were as follows:

| | <u>2020</u> | <u>2019</u> |
|----------------------|-------------|-------------|
| | £ | £ |
| Within one year | 3,888,762 | 4,071,134 |
| In two to five years | 11,158,099 | 11,526,929 |
| More than five years | 15,655,549 | 17,305,045 |
| | <hr/> | <hr/> |
| | 30,702,410 | 32,903,108 |
| | <hr/> <hr/> | <hr/> <hr/> |

27. CONTINGENT LIABILITIES AND GUARANTEES

The Company has given guarantees totalling £17m in respect of bank facilities obtained by certain of its subsidiary undertakings. The balance outstanding on these facilities at 30 September 2020 was £17.6m (2019: £16.3m).

The Company has also given a guarantee amounting to £2.9m in respect of a bank facility obtained by United Institutions Charitable Trust. The balance outstanding on this facility at 30 September 2020 was £2.8m (2019: £2.9m).

28. CONTROL

The Company, which is incorporated for charitable purposes, has no controlling party.

THE SHLOMO MEMORIAL FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2020 Unrestricted Funds £ | 2019 Unrestricted Funds £ |
|---|---------------------------------|---------------------------------|
| Income and endowments from: | | |
| Donations and legacies | 2,196,000 | 1,584,000 |
| Investments | 4,215,028 | 4,578,830 |
| | <hr/> | <hr/> |
| Total Income | 6,411,028 | 6,162,830 |
| | <hr/> | <hr/> |
| Expenditure on: | | |
| Investment Management Costs | 2,611,438 | 2,588,351 |
| Charitable Activities | | |
| Grants and Donations | 2,790,600 | 1,908,816 |
| Governance Costs | 64,346 | 63,242 |
| | <hr/> | <hr/> |
| Total Expenditure | 5,466,384 | 4,560,409 |
| | <hr/> | <hr/> |
| Gains and Losses on Investments | | |
| Profit on Sale of Investment Properties | - | 8,060 |
| Surplus on Revaluation of Investment Properties | 1,097,432 | 622,851 |
| Surplus on Revaluation of Subsidiary Undertakings | 70,000 | 1,440,000 |
| | <hr/> | <hr/> |
| Net Gain on Investments | 1,167,432 | 2,070,911 |
| | <hr/> | <hr/> |
| Net Income for the Year and Net Movements of Funds | 2,112,076 | 3,673,332 |
| | <hr/> | <hr/> |
| Total Funds Brought Forward | 66,888,667 | 63,215,335 |
| | <hr/> | <hr/> |
| Total Funds Carried Forward | 69,000,743 | 66,888,667 |
| | <hr/> | <hr/> |

THE SHLOMO MEMORIAL FUND LIMITED

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

THIS DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

| | 2020 | | 2019 | |
|--------------------------------------|---------|--------------------|---------|--------------------|
| | £ | £ | £ | £ |
| Rents and Charges Receivable | | 4,214,673 | | 4,563,539 |
| Deduct: Property outgoings | | | | |
| Rents | 279,686 | | 243,350 | |
| Rates | 64,088 | | 93,365 | |
| Repairs | 87,389 | | 120,812 | |
| Light and Heat | 271,308 | | 278,606 | |
| Porterage and Cleaning | 54,028 | | 79,849 | |
| Insurance | 120,891 | | 98,101 | |
| Service Charges | 24,167 | | 20,580 | |
| Security | 68,350 | | 68,091 | |
| Legal and Professional Charges | 34,885 | | 54,300 | |
| Management Commission | 276,498 | | 283,375 | |
| Letting Fees | 9,029 | | 3,900 | |
| Depreciation – Furniture & Equipment | 5,149 | | 6,866 | |
| | | <u>(1,295,468)</u> | | <u>(1,351,195)</u> |
| | | <u>2,919,205</u> | | <u>3,212,344</u> |