

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)
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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
		<hr/>	<hr/>
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
		<hr/>	<hr/>
		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
		<hr/>	<hr/>
		13,389,513	10,684,746
CREDITORS: Amounts falling due within one year	19	(4,221,910)	(2,670,250)
		<hr/>	<hr/>
NET CURRENT ASSETS		9,167,603	8,014,496
		<hr/>	<hr/>
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)
		<hr/>	<hr/>
NET ASSETS		£74,650,384	£71,688,024
		<hr/>	<hr/>
The funds of the charitable Group:			
Unrestricted Funds	23	74,650,384	71,688,024
		<hr/>	<hr/>
		£74,650,384	£71,688,024
		<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 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
		<hr/>	<hr/>
		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
		<hr/>	<hr/>
		5,807,450	3,396,213
CREDITORS: Amounts falling due within one year	19	(1,661,730)	(1,617,022)
		<hr/>	<hr/>
NET CURRENT ASSETS		4,145,720	1,779,191
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		111,607,909	107,106,277
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	20	(36,941,662)	(35,418,180)
		<hr/>	<hr/>
NET ASSETS		£74,666,247	£71,688,097
		<hr/>	<hr/>
The funds of the charitable Company:			
Unrestricted Funds	23	74,666,247	71,688,097
		<hr/>	<hr/>
		£74,666,247	£71,688,097
		<hr/>	<hr/>

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)
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Net cash provided by investing activities		4,833,088	6,727,850
		<hr/>	<hr/>
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)
		<hr/>	<hr/>
Net cash used in financing activities		(739,259)	(2,732,264)
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Cash and cash equivalent at the end of the year	25	£6,027,451	£4,302,052
		<hr/> <hr/>	<hr/> <hr/>

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/>

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

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
	<u>4,726,194</u>	<u>4,102,999</u>

7. OTHER TRADING EXPENDITURE

	<u>2022</u>	<u>2021</u>
	Unrestricted Funds	
	£	£
Other Trading Expenditure	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
	<u>2,877,273</u>	<u>2,349,082</u>

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 Tzion 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
Match 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/>

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>
	£	£
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>
	£	£
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)
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	326,848	255,451
Impact of change in tax rate	-	227,090
	<hr/>	<hr/>
	326,848	482,541
	<hr/>	<hr/>
Tax charge	326,848	482,331
	<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% (2021: 19%).

	<u>2022</u>	<u>2021</u>
	Unrestricted Funds	
	£	£
Net income before tax	3,289,208	3,147,518
	<hr/>	<hr/>
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)
	<hr/>	<hr/>
Taxation charge	326,848	482,331
	<hr/>	<hr/>

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
	<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 £2,978,150 (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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2022	440,682	50,071	50,422	541,175
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2022	321,051	32,973	30,792	384,816
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value				
At 30 September 2022	119,631	17,098	19,630	156,359
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2021	138,613	19,332	26,173	184,118
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,362,062	6,382,694	3,417,321	1,363,260
	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>
	4,221,910	2,670,250	1,661,730	1,617,022
	<hr/>	<hr/>	<hr/>	<hr/>

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	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	59,334,065	57,452,425	36,941,662	35,418,180
	<hr/>	<hr/>	<hr/>	<hr/>

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
(AND SUBSIDIARY UNDERTAKINGS)

NOTES TO THE FINANCIAL STATEMENTS

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	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	59,699,408	57,613,560	36,941,662	35,418,180
Less Amounts Repayable within 1 year	(365,343)	(426,731)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	59,334,065	57,186,829	36,941,662	35,418,180
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Details of loans repayable after 5 years are as follows:

		<u>The Group</u>		<u>The Company</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		£	£	£	£
<u>Loans</u>	<u>Interest Rate</u>				
<u>Terminating in</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	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		4,609,691	5,895,332	-	-
		<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>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
	<hr/>	<hr/>
Balance at the end of the year	1,528,513	1,201,665
	<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 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)
	<hr/>
Balance at 30 September 2022	74,650,384
	<hr/>
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
	<hr/>
Balance at 30 September 2022	74,666,247
	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>

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)
	<hr/> (2,364,740) <hr/>	<hr/> (2,834,648) <hr/>
Tax paid	(3,690)	-
Net cash used in operating activities	<hr/> £(2,368,430) <hr/>	<hr/> £(2,834,648) <hr/>

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	<hr/> 6,027,451 <hr/>	<hr/> 4,302,052 <hr/>

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)
	<hr/> (50,048,948) <hr/>	<hr/> 392,822 <hr/>	<hr/> (49,656,126) <hr/>

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/>

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/>

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 Unrestricted Funds £	2021 Unrestricted Funds £
Income and endowments from:		
Donations and legacies	1,425,450	2,030,000
Investments	5,474,033	4,769,009
	<hr/>	<hr/>
Total Income	6,899,483	6,799,009
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Total Expenditure	5,603,973	4,667,414
	<hr/>	<hr/>
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)
	<hr/>	<hr/>
Net Gains on Investments	1,682,640	555,759
	<hr/>	<hr/>
Net Income for the Year and		
Net Movements of Funds	2,978,150	2,687,354
	<hr/>	<hr/>
Total Funds Brought Forward	71,688,097	69,000,743
	<hr/>	<hr/>
Total Funds Carried Forward	74,666,247	71,688,097
	<hr/> <hr/>	<hr/> <hr/>

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
	<hr/>	<hr/>
	(1,384,362)	(1,219,141)
	<hr/>	<hr/>
	4,089,428	3,549,848
	<hr/> <hr/>	<hr/> <hr/>