

BETH HAMEDRASH KNESSET YEHEZKEL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

BETH HAMEDRASH KNESSET YEHEZKEL

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

CONTENTS

Page

Trust information	1
Trustees' report	2 - 5
Independent Examiner's report	6
Statement of financial activities	7
Balance sheet	8
Statement of cash flows	9
Notes to the financial statements	10 -16

BETH HAMEDRASH KNESSET YEHEZKEL

TRUST INFORMATION

Registered Charity Number : 299763

Trustees : Dean Cohen (resigned 28th February 2022)
Daniel Tamman (resigned 28th February 2022)
Anthony Shasha (resigned 28th February 2022)
Ruben Babaev (appointed 28th February 2022)
Eliyahu Sellam (appointed 28th February 2022)
David Tangi (appointed 28th March 2022)
Michael Yattah (appointed 28th February 2022)

Independent Examiner : Anthony Epton
Goldwins Limited
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

Principal Address : 185-187 Golders Green Road
London NW11 9BY

Bankers : HSBC PLC
897 Finchley Road
London NW11 7NX

BETH HAMEDRASH KNESSET YEHEZKEL

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The trustees present their annual report together with the financial statements of Beth Hamedrash Kneset Yehezkel for the year ended 5 April 2022.

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 (FRS102- effective 1 January 2015)- (Charities SORP FRS 102) and the Charities Act 2011.

Structure, governance and management

The Governing Document is a constitution dated 11 July 1988 as amended 25 June 2021. The trustees meet regularly to determine the general policy of the charity. The board is kept rather small to allow work being done efficiently.

The Trustees who served the charity during the period were as follows:

Dean Cohen	(resigned 28 th February 2022)
Daniel Tamman	(resigned 28 th February 2022)
Anthony Shasha	(resigned 28 th February 2022)
Ruben Babaev	(appointed 28 th February 2022)
Eliyahu Sellam	(appointed 28 th February 2022)
David Tangi	(appointed 28 th March 2022)
Michael Yattah	(appointed 28 th February 2022)

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

Objects and activities for public benefit

The Beth Hamedrash Kneset Yehezkel is a charity whose purpose is to advance religion in accordance with the orthodox Jewish faith as practised by the Sephardi Jews as laid down in the Shulchan Aruch.

Risk Management

The charity is aware of the major risks to which it is exposed and monitors them with the effect that all such risks are mitigated wherever possible. Such risks are subject to a regular monitoring and wherever possible mitigated. The trustees confirm that they are not aware of any significant factors which may have affected the achievement by the Charity of its objectives and activities

Reserves Policy

The charity maintains a sufficient level of reserves to meet its day-to-day activities and also its expenditure plans for the next six months. As at 5 April 2022 free unrestricted reserves were £14,414 in surplus. There were however £5,782,486 of restricted reserves in relation to the building at 185-187 Golders Green Road, London NW11. Such position shall be reviewed annually.

BETH HAMEDRASH KNESSET YEHEZKEL

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

Cont....

Achievement and performance

Each year the trustees review the objectives and activities of the Charity to ensure they are consistent. In carrying out this review, the trustees have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for public benefit.

Beth Hamedrash Kneset Yehezkel has continued to offer a varied programme of activities and lectures throughout the year in addition to holding daily services

Our Rav, Rabbi Aaron Bassous has continued his involvement with the Charity and its members, offering tremendous support and guidance in spiritual matters to the community while at the same time ensuring the smooth running of the services and extensively teaching on various subjects such as Parashat haShavua, Mishna, Ein Yaakov, Halacha and Mussar.

Towards the end of the year, the internal dispute was finally resolved and new trustees were appointed.

Financial review

During the year the charity made a net deficit of £136,775 (2021 net deficit of £64,439) resulting in net assets of £5,796,900 (2021 net assets £5,933,675). The principal funding sources of the Charity were voluntary donations and income derived from membership. The decrease income of the Charity for the year ended 5 April 2022 was due to a decrease in voluntary donations gifted towards the ongoing building works to rebuild the Charity's premises at 185-187 Golders Green Road NW11. As a result of the ongoing internal dispute which was finally resolved towards the end of the year, income levels have also been adversely affected. The Treasurer together with fellow trustees of the Charity review the funding sources on a regular basis to ensure that they are sufficient to cover the running costs of the Charity and service the loan associated with the building works.

BETH HAMEDRASH KNESSET YEHEZKEL

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

Cont....

Public benefit

The principal activities of the charity during the year continued to be to advance religion in accordance with the orthodox Jewish faith as practised by the Sephardi Jews as laid down in the Shulchan Aruch. The trustees are aware of the Charity Commission guidance on public benefit reporting as set out in Section 17 Charities Act 2011. The trustees believe that the charity achieves a public benefit by providing these services as detailed earlier in this report.

Investment policy and returns

The Charity does not hold substantial amount of cash, therefore any excess of cash should, whenever relevant, be placed in interest bearing bank accounts. Should the Charity hold substantial amount of cash in the future, such policy will be reviewed and adapted by the trustees.

Plans for the future

The internal dispute was finally resolved toward the end of the year, which will give the Charity stability which in turn should improve its financial position and enable the Charity to carry on fulfilling its objectives as has been the case for the past thirty five years, and further develop in the new enlarged building.

Statement of trustees' responsibilities

Charity 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 Charity and of its financial activities for that year together with its assets and liabilities at the end of the year, and adequately distinguish any material special Trust or other restricted fund of the Charity. In preparing those financial statements the Trustees are required to:-

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether the policies adopted are in accordance with the appropriate SORP on Accounting and Reporting by Charities and the Accounting Regulations and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Charity, and enable them to ensure

BETH HAMEDRASH KNESSET YEHEZKEL

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

Cont....

that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under the Charities Act. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved by the Board of Trustees on 3rd February 2023.
and signed on its behalf.

Eliyahu Sellam
Trustee

David Tangi
Trustee

BETH HAMEDRASH KNESSET YEHEZKEL

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BETH HAMEDRASH

KNESSET YEHEZKEL

I report to the trustees on my examination of the accounts of the Beth Hamedrash Kneset Yehezkel for the year ended 5 April 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the Charity's gross income exceeded £250,000, I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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

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

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

Anthony Epton BA FCA CTA FCIE
Goldwins
Chartered accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

Date: 03/02/2023

BETH HAMEDRASH KNESSET YEHEZKEL**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)****FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
<u>Income from:</u>		£	£	£	£
Donations		210,530	164,121	374,651	503,638
Total income		<u>210,530</u>	<u>164,121</u>	<u>374,651</u>	<u>503,638</u>
		=====	=====	=====	=====
<u>Expenditure on:</u>					
Charitable activities	3	310,519	200,907	511,426	568,077
Total expenditure		<u>310,519</u>	<u>200,907</u>	<u>511,426</u>	<u>568,077</u>
		=====	=====	=====	=====
Net (deficit) for the year		(99,989)	(36,786)	(136,775)	(64,439)
Transfers between funds		119,389	(119,389)	-	-
Net movement in funds		<u>19,400</u>	<u>(156,175)</u>	<u>(136,775)</u>	<u>(64,439)</u>
		=====	=====	=====	=====
Reconciliation of funds					
Total funds brought forward		(4,986)	5,938,661	5,933,675	5,998,114
<u>Total funds carried forward</u>	11	<u>14,414</u>	<u>5,782,486</u>	<u>5,796,900</u>	<u>5,933,675</u>
		=====	=====	=====	=====

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
The attached notes form part of these financial statements.

BETH HAMEDRASH KNESSET YEHEZKEL**BALANCE SHEET AS AT 5 APRIL 2022**

		2022		2021	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>					
Tangible assets	6	8,849,865		8,955,820	
<u>CURRENT ASSETS</u>					
Stock	8	800		800	
Cash at bank and in hand		74,672		6,631	
		<u>75,472</u>		<u>7,431</u>	
<u>CREDITORS: Amounts falling due</u>					
within one year	9	(10,558)		(10,021)	
<u>NET CURRENT ASSETS</u>					
		64,914		(2,590)	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
		<u>8,914,779</u>		<u>8,953,330</u>	
<u>CREDITORS: Amounts falling due</u>					
after one year	10	(3,117,879)		(3,019,555)	
<u>TOTAL NET ASSETS</u>					
		<u>5,796,900</u>		<u>5,933,675</u>	
		=====		=====	
<u>FUNDS</u>					
Unrestricted		14,414		(4,986)	
Restricted	11	5,782,486		5,938,661	
<u>TOTAL FUNDS</u>					
		<u>5,796,900</u>		<u>5,933,675</u>	
		=====		=====	

Approved by the Board of Trustees on 3rd February 2023 and signed on its behalf by

Eliyahu Sellam
Trustee

David Tangi
Trustee

BETH HAMEDRASH KNESSET YEHEZKEL**STATEMENT CASH FLOWS AS AT 5 APRIL 2022**

	2022	2021		
	£	£		
Cash flows from operating activities:				
Net cash provided by / (used in) operating activities	68,041	496,146		
Cash flows from investing activities:				
Sale/ (purchase) of fixed assets	-	(1,111,348)		
Cash provided by / (used in) investing activities	68,041	(1,111,348)		
Change in cash and cash equivalents in the year	68,041	(615,202)		
Cash and cash equivalents at the beginning of the year	6,631	621,833		
Cash and cash equivalents at the end of the year	74,672	6,631		
Reconciliation of net income / (expenditure) to net cash flow from operating activities				
	2022	2021		
	£	£		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(136,775)	(64,439)		
Depreciation	105,955	184,120		
(Increase)/ decrease in debtors	-	-		
Increase/ (decrease) in creditors	98,861	376,465		
Net cash provided by / (used in) operating activities	68,041	496,146		
Analysis of cash and cash equivalents				
	At 6th April 2021	Cash flows	Other changes	At 5th April 2022
	£	£	£	£
Cash at bank and in hand	6,631	68,041	-	74,672
Total cash and cash equivalents	6,631	68,041	-	74,672

BETH HAMEDRASH KNESSET YEHEZKEL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

The Beth Hamedrash Kneset Yehezkel is a registered Charity number 299763. The aims of the Charity and a description of how they are fulfilled during the year are detailed in other sections of this Annual Report.

1 Accounting policies

a) Basis of preparation

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 Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

c) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

BETH HAMEDRASH KNESSET YEHEZKEL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies (continued)

e) Expenditure

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

f) Depreciation

Fixtures and Fittings are depreciated at 20% on a straight-line basis and Motor Vehicle is depreciated at 25% on a straight-line basis, which are estimated to write off the assets over their estimated useful life. The freehold properties excluding land are depreciated over a period of 50 years.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. DETAILED COMPARATIVES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
<u>Income from:</u>			
Donations	305,771	197,867	503,638
Investment income	-	-	-
<u>Total income</u>	<u>305,771</u>	<u>197,867</u>	<u>503,638</u>
	=====	=====	=====
<u>Expenditure on:</u>			
Charitable activities	294,396	273,681	568,077
<u>Total expenditure</u>	<u>294,396</u>	<u>273,681</u>	<u>568,077</u>
	=====	=====	=====
<u>Net income/(expenditure) in the year</u>	11,375	(75,814)	(64,439)
Transfers between funds	(32,451)	32,451	-
<u>Net movement in funds</u>	<u>(21,076)</u>	<u>(43,363)</u>	<u>(64,439)</u>
<u>Reconciliation of funds</u>			
Total funds brought forward	16,090	5,982,024	5,998,114
<u>Total funds carried forward</u>	<u>(4,986)</u>	<u>5,938,661</u>	<u>5,933,675</u>
	=====	=====	=====

BETH HAMEDRASH KNESSET YEHEZKEL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 5 APRIL 2022****3 Analysis of expenditure**

	Charitable activities	Support costs	Governance costs	2022	2021
	£	£	£	£	£
Charitable grants	15,490	-	-	15,490	59,168
Wages & pension	36,416	-	-	36,416	36,777
Catering costs	4,904	-	-	4,904	2,599
Lecturers	450	-	-	450	10,262
Depreciation	105,955	-	-	105,955	184,120
Telephone	-	1,080	-	1,080	1,083
Motor & travelling	-	714	-	714	5,631
Printing, postage & stationery	-	-	-	-	180
Repair & maintenance	-	22,460	-	22,460	15,249
Office, cleaning & sundry expenses	-	125,171	-	125,171	80,730
Rates & utilities	-	38,875	-	38,875	33,601
Bank charges & interest	86,029	-	-	86,029	89,561
Management costs	-	26,405	-	26,405	24,954
Independent Examiner's fees	-	-	5,400	5,400	11,400
Accountancy fees	-	-	9,330	9,330	10,170
Legal & Professional fees	-	-	32,747	32,747	2,592
	249,244	214,705	47,477	511,426	568,077
Support costs	214,705	(214,705)		-	
Governance costs	47,477		(47,477)	-	
Total expenditure 2022	511,426	-	-	511,426	568,077

Of the total expenditure of £ 511,426, £310,519 (2021: £294,396) was unrestricted and £200,907 (depreciation, bank charges/interest & professional fees) was restricted (2021: £273,681).

BETH HAMEDRASH KNESSET YEHEZKEL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

4. NET INCOME/(DEFICIT) FOR THE YEAR

	2022	2021
This is stated after charging:	£	£
Depreciation	105,955	184,120
Independent Examiner's fees-	4,500	3,250
	=====	=====

5. TAXATION

The Charity is not liable to tax on its income as it falls within the various exemptions available to registered charities.

6. TANGIBLE ASSETS

	Motor Vehicles	Freehold Property	Fixtures, Fittings & Equipment	Total
	£	£	£	£
<u>COST</u>				
At 6 April 2021	16,990	9,328,255	165,350	9,510,595
Additions	-	-	-	-
Disposal	-	-	-	-
At 5 April 2022	16,990	9,328,255	165,350	9,510,595
	=====	=====	=====	=====
<u>DEPRECIATION</u>				
At 6 April 2021	16,990	398,122	139,663	554,775
Charge for year	-	98,565	7,390	105,955
Disposal	-	-	-	-
At 5 April 2022	16,990	496,687	147,053	660,730
	=====	=====	=====	=====
<u>NET BOOK VALUE</u>				
At 5 April 2022	-	8,831,568	18,297	8,849,865
	=====	=====	=====	=====
At 5 April 2021	-	8,930,133	25,687	8,955,820
	=====	=====	=====	=====

The value of land not depreciated, included in freehold properties, is £1.8m.

BETH HAMEDRASH KNESSET YEHEZKEL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

7. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	34,530	35,054
Pension	1,886	2,598
	<u>36,416</u>	<u>37,653</u>

One former trustee received remuneration during the year of £26,365 (2021: £26,384).

No employees earned more than £60,000 per annum.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

No trustees received any payment or reimbursement of travel and subsistence costs. The key management personnel are the trustees who were not remunerated.

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022	2021
Charitable activity	1	1
Support	1	1
	<u>2</u>	<u>2</u>

8. STOCK

	2022	2021
	£	£
Picture for resale	800	800
	=====	=====

BETH HAMEDRASH KNESSET YEHEZKEL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

9.	CREDITORS: Amounts falling due within one year	2022	2021
		£	£
	Accruals	8,240	6,740
	Net wages	2,318	2,821
	Taxation and social security	-	460
		10,558	10,021
		=====	=====
10.	CREDITORS: Amounts falling due after one year	2022	2021
		£	£
	Other Loans	3,070,085	2,969,555
	Government Bounce Back Loan	47,794	50,000
		3,117,879	3,019,555
		=====	=====

Included in other loans is a £2,700,085 loan repayable in 2042 and interest is charged at an annual rate of 2.75% above Unity Trust Bank's base rate. This loan is secured on 185-187 Golders Green Road, London NW11 9BY.

Included in other loans is an unsecured £250,000 loan repayable in 2025 and interest is charged at an annual rate of 3.75% above the average base lending rate of six high street banks.

11.	RESTRICTED FUNDS	Balance 6 April 2021	Income	Expenditure	Transfers	Balance 5 April 2022
		£	£	£	£	£
	Building fund	5,938,661	164,121	(200,907)	(119,389)	5,782,486
		=====	=====	=====	=====	=====

RESTRICTED FUNDS -PRIOR YEAR

	Balance 6 April 2020	Income	Expenditure	Transfers	Balance 5 April 2021
	£	£	£	£	£
Building fund	5,982,024	197,867	(273,681)	32,451	5,938,661
	=====	=====	=====	=====	=====

The Building Fund is a restricted fund used for the purpose of developing the charity's freehold property.

BETH HAMEDRASH KNESSET YEHEZKEL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2022

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible assets	-	8,849,865	8,849,865
Current assets	24,972	50,500	75,472
Creditors	(10,558)	(3,117,879)	(3,128,437)
	<u>14,414</u>	<u>5,782,486</u>	<u>5,796,900</u>
	=====	=====	=====

ANALYSIS OF NET ASSETS BETWEEN FUNDS-PRIOR YEAR

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible assets	-	8,955,820	8,955,820
Current assets	5,035	2,396	7,431
Creditors	(10,021)	(3,019,555)	(3,029,576)
	<u>(4,986)</u>	<u>5,938,661</u>	<u>5,933,675</u>
	=====	=====	=====

13. RELATED PARTY TRANSACTIONS

One of the loans is from a pension scheme where a former trustee is a connected party. The amount outstanding of such unsecured loan at the year end is £250,000.

During the year, the charity received a loan of £120,000 from a company in which one of the trustees is a director.