

ZICHRON MEIR LIMITED

(A company limited by guarantee)

**Trustees' report and consolidated financial statements
for the year ended 31 May 2019**

ZICHRON MEIR LIMITED

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ZICHRON MEIR LIMITED

Reference and administrative information

Trustee	M Landau C Landau C L Klein (appointed 27 November 2019)
Company number	5127128
Charity number	1104523
Registered office	First Floor 94 Stamford Hill London N16 6XS
Business address	26 Leweston Place London N16 6RH
Auditors	Sugarwhite Meyer Accountants Ltd Chartered Accountants First Floor 94 Stamford Hill London N16 6XS
Bankers	Barclays Bank Plc Broadgate 2 Leicestershire, LE87 2BB

ZICHRON MEIR LIMITED

Trustee's report (incorporating director's report) for the year ended 31 May 2019

The trustee presents their annual report and consolidated financial statements for the year ended 31 May 2019.

Reference and administrative information

Reference and administrative information is shown on page 1 of the financial statements and forms part of this report.

Constitution

The charity is constituted as company limited by guarantee and is governed by its Memorandum and Articles of Association dated 13 May 2004.

Organisational structure

The power to appoint new trustees is vested in the board. New trustees are appointed based on personal competence, specialist skills and experience. They are inducted into the working of the charity by the current board and are given, in the view of the board, sufficient training to understand the nature of the charity and its working. They are also encouraged to read the Charity Commission's various publications on trustees.

Objects for public benefit

The objects of the charity are:

- the advancement of the Orthodox Jewish Faith and of Orthodox Jewish Religious Education in any part of the world.
- the relief of the poor, the sick, feeble and infirm among members of the Jewish Faith in any part of the world.

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

In this respect the charity makes grants to organisations working within the objects of Zichron Meir Ltd.

Grant making policy

In general the trustees select institutions to be supported according to their personal knowledge of work of the institution. Whilst not actively inviting applications, they are always prepared to accept any application which will be carefully considered and help given according to circumstances and funds then available.

Review of activities and achievements

The charity is reliant on donations from companies connected with the trustee, income from investments, loan interest from its subsidiary and others. Investment income increased and the trustees increased grantmaking. The charity purchased another property which it is hoped will give another flow of income. The charity's subsidiary made a profit for the year and purchased a new investment property.

Plans for future periods

The charity plans to continue its activities subject to satisfactory income.

Reserve policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which the trustees think appropriate after considering the future commitments of the charity and the likely administrative costs of the charity for the next year.

The charity does not have a specific reserve policy. Donations are made according to the availability of funds.

ZICHRON MEIR LIMITED

Trustee's report (incorporating director's report) for the year ended 31 May 2019

Total group reserves at the year end were £13,438,605 (2018-£7,732,855). Free reserves were £32,403 (2018-£207,948)

Risk review

The trustees have reviewed the major risks that the charity faces and confirms that they have established systems to mitigate them.

Statement of trustee's responsibilities

The trustees (who are also a directors 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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 that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the charity's trustees are aware:

- there is no relevant information of which the charity's auditors are unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Signed on 30 March 2020 by

M Landau
Trustee

ZICHRON MEIR LIMITED

Independent auditor's report to the member of ZICHRON MEIR LIMITED

Opinion

We have audited the financial statements of Zichron Meir Limited (the 'parent company') for the year ended 31 May 2019 which comprises the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months

Other information

The trustees are responsible for the other information. The other information comprises the information in the annual report, but does not include the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ZICHRON MEIR LIMITED

Opinion on other matters prescribed by the Companies Act 2006

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

- give a true and fair view of the state of the group's and charity's affairs as at 31 May 2019 and of the group's income and expenditure for the year then ended;
- the information given in the Trustees' Report, which include the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page four, the trustees (who are also the directors of the 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 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

ZICHRON MEIR LIMITED

Use of our report

This report is made solely to the charitable company's trustees, 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 charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

E Meyer FCA BSc (senior statutory auditor)

for and on behalf of

Sugarwhite Meyer Accountants Ltd

Chartered Accountants and Statutory Auditor

First Floor

94 Stamford Hill

London N16 6XS

30 March 2020

ZICHRON MEIR LIMITED

Statement of Consolidated Financial Activities (including income and expenditure account) For the year ended 31 May 2019

	Notes	2019 Total Unrestricted £	2018 Total £
Income from:			
Donations		5,200,000	1,264,000
Gifts		-	3,910,000
Investments	2	550,648	216,260
Total income		<u>5,750,648</u>	<u>5,390,260</u>
Expenditure on:			
<i>Raising funds</i>			
Investment management costs		(57,341)	(7,158)
<i>Charitable activities</i>	3	(444,761)	(310,465)
Taxation	9	(49,742)	-
Total expenditure		<u>(551,844)</u>	<u>(317,623)</u>
Net incoming resources before gains and losses on revaluations and disposals			
		5,198,804	5,072,637
Gains and losses on revaluations and disposals of investment assets		506,946	-
Net income		<u>5,705,750</u>	<u>5,072,637</u>
Total funds brought forward		7,732,855	2,660,218
Total funds carried forward		<u><u>13,438,605</u></u>	<u><u>7,732,855</u></u>

The notes on pages 11 to 15 form an integral part of these financial statements.

ZICHRON MEIR LIMITED

Statement of financial activities (including income and expenditure account) for the year ended 31 May 2019

	Notes	2019 Total £	2018 Total £
Income from:			
Donations		5,220,000	1,264,001
Gifts		-	3,910,000
Investments	2	558,106	184,225
Total income		<u>5,778,106</u>	<u>5,358,226</u>
Expenditure on:			
<i>Raising funds</i>			
Investment management costs		(52,787)	(3,100)
<i>Charitable activities</i>	3	(439,458)	(308,264)
Total expenditure		<u>(492,245)</u>	<u>(311,364)</u>
Net incoming resources before gains and losses on revaluations and disposals			
		5,285,861	5,046,862
Gains and losses on revaluations and disposals of investment assets		<u>200,271</u>	<u>-</u>
Net income		5,486,132	5,046,862
Reconciliation of funds			
Total funds brought forward		<u>7,713,618</u>	<u>2,666,756</u>
Total funds carried forward		<u><u>13,199,750</u></u>	<u><u>7,713,618</u></u>

The notes on pages 11 to 15 form an integral part of these financial statements.

ZICHRON MEIR LIMITED

Company No:- 1734399

Consolidated Balance Sheet as at 31 May 2019

		2019		2018	
	Notes	Group £	Charity £	Group £	Charity £
Fixed assets					
Investments	6	<u>12,937,684</u>	<u>10,404,416</u>	<u>7,463,838</u>	<u>6,107,974</u>
Current assets					
Debtors	7	518,260	2,754,783	61,069	1,439,600
Cash at bank and in hand		<u>109,162</u>	<u>107,802</u>	<u>221,547</u>	<u>174,324</u>
		627,422	2,862,585	282,616	1,613,924
Creditors: amounts falling due within one year	8	(76,759)	(67,251)	(13,599)	(8,280)
Net current assets		<u>550,663</u>	<u>2,795,334</u>	<u>269,017</u>	<u>1,605,644</u>
Total assets less current liabilities		13,488,347	13,199,750	7,732,855	7,713,618
Provisions for liabilities and charges	9	<u>(49,742)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets		<u>13,438,605</u>	<u>13,199,750</u>	<u>7,732,855</u>	<u>7,713,618</u>
Funds					
Unrestricted funds		<u>13,438,605</u>	<u>13,199,750</u>	<u>7,732,855</u>	<u>7,713,618</u>
		<u>13,438,605</u>	<u>13,199,750</u>	<u>7,732,855</u>	<u>7,713,618</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustee on 30 March 2020 and signed on their behalf by

M Landau
Trustee

The notes on pages 11 to 15 form an integral part of these financial statements.

ZICHRON MEIR LIMITED

Cash flow statement for the year ended 31 May 2019

	2019 £	2018 £
Reconciliation of operating gain to net cash inflow from operating activities		
Operating gain	5,198,804	5,072,638
(Increase) /Decrease in debtors	(457,191)	128,676
Increase/(Decrease) in creditors	112,902	(16,812)
Net cash inflow from operating activities	<u>4,854,515</u>	<u>5,184,502</u>
 Cash flow statement		
Net cash inflow from operating activities	4,854,515	5,184,502
Proceeds of fixed assets	623,987	-
Capital expenditure and financial investment	(5,791,158)	5,114,057
Decrease in cash in the year	<u>(112,385)</u>	<u>70,445</u>
 Reconciliation of net cash flow to movement in net debt		
Decrease in cash in the year	112,385	70,445
Net funds at 1 June 2018	<u>221,547</u>	<u>151,102</u>
Net funds at 31 May 2019	<u>109,162</u>	<u>221,547</u>

ZICHRON MEIR LIMITED

Notes to the financial statements for the year ended 31 May 2019

1. Accounting policies

1.1. Accounting convention

The financial statements have been prepared under the historical cost convention and 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 charity is a public benefit entity under FRS 102.

1.2. Basis of consolidation

These Financial Statements consolidate the results of the charity and its wholly-owned subsidiary Tellstone Ltd on a line by line basis. A separate Statement of Financial Activities, for the charity itself is included in these financial statements.

1.3. Income

Income received by way of donations and gifts are included in full in the Statement of Financial Activities when received.

Income from investments is included in the year in which it is receivable.

1.4. Expenses

Liabilities are recognised in the year in which they are incurred and includes irrecoverable VAT.

Investment management costs include costs relating to the investment properties.

Charitable grants are only recognised in the accounts when paid.

Support costs are those incurred to assist the work of the charity but are not direct charitable activities.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis.

The valuation of investment 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.

ZICHRON MEIR LIMITED

Notes to the financial statements for the year ended 31 May 2019

1.6. Investment properties

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. It is revalued to its fair value at each reporting date any changes are transferred to the Statement of Financial Activities. No depreciation is provided in respect of investment properties applying the fair value.

The fair value of the investment properties has been arrived at on the basis of a valuation carried out by the trustees who are considered to have the experience and expertise required to undertake such an exercise. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties in the same or similar location.

1.7. Going concern

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

2. Investment income

	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Rental income	323,689	266,158	14,800	14,800
Syndicate income	205,468	205,468	198,136	152,455
Interest receivable	21,491	86,480	3,324	16,970
	<u>550,648</u>	<u>558,106</u>	<u>216,260</u>	<u>184,225</u>

ZICHRON MEIR LIMITED

Notes to the financial statements for the year ended 31 May 2019

3. Charitable activities

Grantmaking

	2019 £	2018 £
Advancement of religion	125,000	11,800
Advancement of education	171,956	80,320
Relief of poverty	69,000	60,000
Medical	30,000	10,000
General purpose	33,000	135,000
	<hr/> 428,956	<hr/> 297,120
Support costs	81	1,407
Governance	10,421	11,938
	<hr/> 439,458	<hr/> 310,465
All grants were institutional and include the following:		
Achisomoch Aid Company Ltd	50,000	
Friends of Beis Chinuch Lebonos Trust	50,000	
Friends of Mercaz Hatorah Belz Macnivka	50,000	
Kiryat Yeshiva Chidushei Harim	38,738	
Gateshead Talmudical College	25,000	
Tchabe Kollel Ltd	25,000	
Beis Brucha Ltd	25,000	
Others - under £25,000	165,218	
	<hr/> 428,956	

4. Governance costs

	2019 £	2018 £
Legal fees	3,256	5,576
Auditor's remuneration	2,940	2,640
Auditor's remuneration - other fees	3,900	3,540
Fees written off	-	(240)
General expenses	325	422
	<hr/> 10,421	<hr/> 11,938

5. Trustees' emoluments

No trustee received remuneration, allowance for or reimbursement of expenses.

ZICHRON MEIR LIMITED

Notes to the financial statements for the year ended 31 May 2019

6. Fixed asset investments	Property investments £	Syndicate investments £	Total £
Group Cost			
At 1 June 2018	5,883,474	1,580,365	7,463,839
Additions	5,791,158	-	5,791,158
Disposals	(617,161)	-	(617,161)
Revaluation	306,675	-	306,675
Net movement on income account	-	(6,827)	(6,827)
At 31 May 2019	11,364,146	1,573,538	12,937,684
Net book values			
At 31 May 2019	11,364,146	1,573,538	12,937,684
At 31 May 2018	5,883,474	1,580,365	7,463,839

Charity	Subsidiary undertakings shares £	Property investments £	Syndicate investments £	Total £
Cost				
At 1 June 2018	1	4,527,608	1,580,365	6,107,974
Additions	-	4,920,430	-	4,920,430
Net movement on income account		(617,161)	(6,827)	(623,988)
At 31 May 2019	1	8,830,877	1,573,538	10,404,416
Net book values				
At 31 May 2019	1	8,830,877	1,573,538	10,404,416
At 31 May 2018	1	4,527,608	1,580,365	6,107,974

Zichron Meir Ltd hold 100% of the share capital of Tellstone Ltd, a property investment company registered in England & Wales, No. 09879969.

Tellstone Ltd information for the year ended 31 May 2019:

Income	75,910
Revaluation	306,675
Expenditure	(143,147)
Profit	239,438

Tellstone Ltd assets were £2,913,004 and liabilities £2,674,418 Capital and reserves were £238,856

ZICHRON MEIR LIMITED

Notes to the financial statements for the year ended 31 May 2019

7. Debtors	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Amounts owed by subsidiary	-	2,614,899	-	1,386,531
Other debtors	486,420	108,044	61,069	53,069
Prepayments and accrued income	31,840	31,840	-	-
	<u>518,260</u>	<u>2,754,783</u>	<u>61,069</u>	<u>1,439,600</u>

8. Creditors: amounts falling due within one year	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
Other creditors	49,305	43,123	-	-
Accruals and deferred income	27,454	24,128	13,599	8,280
	<u>76,759</u>	<u>67,251</u>	<u>13,599</u>	<u>8,280</u>

9 Provisions for liabilities and charges

Deferred tax arises from the revaluation of investment properties in accordance with FRS102. It is expected that any gain will be gift aided to the holding charitable company.

10. Related party transactions

Tellstone Ltd is a wholly owned subsidiary, it paid interest of £83,368 (2018 - £13,646), at the balance sheet date it owed £2,614,898 (2018 - £1,386,531) to Zichron Meir Ltd. C & M Estates Ltd is a related party, it paid interest of £3,112 (2018 - £3,324) and owed £54,968 (2018 - £51,112) to Zichron Meir Ltd. LFPM Ltd is a related party which acts as managing agent for the the charity.

The charity received an unrestricted donation of £5.2 million from a charity in which a trustee has an interest.