

Charity Registration No. 326329

Company Registration No. 01671900 (England and Wales)

LOCALTRENT LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

LOCALTRENT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors	Hyman Weiss Mina Weiss Philip Weiss Yocheved Weiss Zisel Weiss
Charity number	326329
Company number	01671900
Principal address	Heaton House 148 Bury Old Road Manchester M7 4SE
Registered office	Heaton House 148 Bury Old Road Manchester M7 4SE
Independent examiner	Lopian Gross Barnett & Co 1st Floor, Cloister House Riverside New Bailey Street Manchester M3 5FS

LOCALTRENT LIMITED

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LOCALTRENT LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2020*

The governors present their report and accounts for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objectives are to aid the advancement of religion in accordance with the Orthodox Jewish faith and the relief of poverty and other charitable purposes for the public benefit. The policies adopted in furtherance of these objects are to identify Orthodox Jewish Charities which carry out activities such as providing Orthodox Jewish education and other activities which advance religion in accordance with the Orthodox Jewish faith or which relieve poverty and there has been no change in these during the year.

Each year, the governors confirm that they have referred to guidance contained in the Charity Commission 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.

The charity's income is generated from investment income and gains and charitable donations which is then distributed to meet the above objectives after allowing for funds required for investment in the charity joint property syndicates and by its subsidiaries.

The objective of the charity for the year was to maintain a stable flow of donations to worthy causes in the Jewish community. The governors also aim to expand the charity's investment portfolio when the opportunity arises. No particular criteria or measures are used to assess success in achieving these aims or objectives.

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

Achievements and performance

The charity has continued to distribute funds to other charities and charitable causes during the year. Nearly all of the available incoming resources, after the charity met loan payment and similar obligations, were distributed leaving a small increase in reserves available for future investments. The governors are pleased with the investment performance and with the level of donations given to worthy causes.

LOCALTRENT LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2020

Financial review

The governors' investment powers are governed by the company's Memorandum of Association which permits the company to invest as may be determined by the governors.

The governors' are experienced property investors and have invested the company's funds in various properties with others in order to generate funds for distribution. Investments are chosen on the basis of achieving a yield in excess of that available from cash deposits while maintaining a high degree of security of income and the underlying assets.

The company's subsidiaries continue to generate their income from investing in property and to pay their taxable profits to the company.

The company's own investments generated £117,233 with a further £113,688 from its subsidiaries. Accordingly, the total of incoming resources were £230,921 which left a surplus of £210,707 after expenses of £20,214.

The company distributed £268.953 to various charities for the relief of poverty and the advancement of religion in accordance with the Orthodox Jewish faith.

The company also benefited from an exchange rate gain of £4 by way of it's US dollar account.

The charity's own land & building values decreased by £165,000 during the year, giving rise to a loss on disposal of tangible fixed assets of £173,451, resulting in an overall decrease in reserves of £231,693.

There is no policy to maintain a level of reserves other than as required for the charity's investment portfolio.

The governors' investment powers are governed by the charity's memorandum of association that permits the charity to invest as may be determined by the governors.

The charity sold its property in North East of England for £1 in order to minimise the crippling costs of retaining and maintaining a vacant property in this rapidly declining location.

The governors have identified the principal risks and uncertainties facing the charity and have also adopted plans and strategies to manage these as follows:

- Decline in values of investment properties are managed by investing in good quality buildings with reliable tenants as confirmed by independent valuations obtained on purchase and by regular monitoring by the governors:
- Decrease in income is managed by letting to reliable tenants as above; maintaining informal reserves in the charity; and having funds available to the governors to loan to the charity if required.

The governors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee. It was incorporated on 14 October 1982 and registered as a charity on the same date. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

LOCALTRENT LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2020*

The governors, who are also directors for the purpose of company law, and who served during the year were:

Bernardin Weiss	(Deceased 29 October 2020)
Hyman Weiss	
Mina Weiss	
Philip Weiss	
Yocheved Weiss	
Zisel Weiss	

Governors are recommended and appointed by the Board of Governors, training would be offered to new governors by existing governors.

None of the governors has any beneficial interest in the company. All of the governors are members of the company and guarantee to contribute £1 in the event of a winding up.

The board of governors administers the charity.

The governors' report was approved by the Board of Governors.

Hyman Weiss
Governor
Dated: 25 March 2021

LOCALTRENT LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE GOVERNORS OF LOCALTRENT LIMITED

I report to the governors on my examination of the financial statements of Localtrent Limited (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

As the governors of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no 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 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

Alex Kahan FCA
Lopian Gross Barnett & Co

Chartered Accountants
1st Floor, Cloister House
Riverside
New Bailey Street
Manchester
M3 5FS

Dated: 25 March 2021

LOCALTRENT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020	Unrestricted funds 2019
	Notes	£	£
<u>Income from:</u>			
Donations and legacies	2	113,688	137,818
Investment income	3	117,233	158,311
Total income		230,921	296,129
<u>Expenditure on:</u>			
Charitable activities	4	268,953	317,880
Other	8	20,214	19,259
Total resources expended		289,167	337,139
Net outgoing resources		(58,246)	(41,010)
Other recognised gains and losses			
Revaluation of tangible fixed assets		-	(110,000)
Loss on disposal of tangible fixed assets		(173,451)	-
Other gains or losses	10	4	38
Net movement in funds		(231,693)	(150,972)
Fund balances at 1 April 2019		1,326,570	1,477,542
Fund balances at 31 March 2020		1,094,877	1,326,570

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LOCALTRENT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	400,000		565,000	
Investment properties	12	858,431		860,619	
Investments	13	110		110	
		<u>1,258,541</u>		<u>1,425,729</u>	
Current assets					
Debtors	14	172,932		175,208	
Cash at bank and in hand		21,182		67,846	
		<u>194,114</u>		<u>243,054</u>	
Creditors: amounts falling due within one year	16	<u>(225,162)</u>		<u>(193,065)</u>	
Net current (liabilities)/assets			(31,048)		49,989
Total assets less current liabilities			<u>1,227,493</u>		<u>1,475,718</u>
Creditors: amounts falling due after more than one year	17		(132,616)		(149,148)
Net assets			<u>1,094,877</u>		<u>1,326,570</u>
Income funds					
Unrestricted funds					
General unrestricted funds		1,094,877		1,546,570	
Revaluation reserve		-		(220,000)	
		<u>1,094,877</u>		<u>1,326,570</u>	
		<u>1,094,877</u>		<u>1,326,570</u>	

LOCALTRENT LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Governors on 25 March 2021

Hyman Weiss

Trustee

Company Registration No. 01671900

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Localtrent Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Heaton House, 148 Bury Old Road, Manchester, M7 4SE.

1.1 Accounting convention

The accounts have been prepared in accordance with the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Funds held by the charity are all unrestricted. These being funds which can be used in accordance with the charitable objects at the discretion of the governors.

1.4 Incoming resources

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

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

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

1.5 Resources expended

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other costs include all costs involving the public accountability of the charity and its compliance with regulation and good practice. These include costs related to legal fees.

Charitable distributions represent donations paid to religious, educational and similar charities, and are recognised when payment is made by the charity.

1.6 Tangible fixed assets

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

Investment properties are included in the balance sheet at their open market value, with gains and losses on revaluation being recognised in the statement of financial activity.

Land and buildings

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

1.10 Financial instruments

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

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

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

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Derecognition of financial liabilities

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

1.11 Investments in joint property syndicates

The charity has a number of joint interests in various properties each of which is owned by a syndicate of similar participators. These investments are stated at the net cost of participation in the syndicate plus accumulated surpluses less deficiencies and drawings from the syndicate.

No revaluation of the underlying properties has been reflected in the accounts.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2 Donations and legacies

	2020	2019
	£	£
Donations and gifts	113,688	137,818

Donations include £113,688 (2019: £133,298) from the company's subsidiaries.

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Investment income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	14,139	113,277
Rental expenses	(42,254)	(61,992)
Net rental income	(28,115)	51,285
Property investment surpluses	145,335	107,015
Interest receivable	13	11
	<u>117,233</u>	<u>158,311</u>

4 Charitable activities

	Charitable distribution	Charitable distribution
	s	s
	2020	2019
	£	£
Grant funding of activities (see note 5)	<u>268,953</u>	<u>317,880</u>

5 Grants payable

	2020	2019
	£	£
Orthodox Jewish Education and religious studies	63,073	86,695
Advancement of religion and the Orthodox Jewish faith	83,162	128,193
Relief of hardship and poverty in the Jewish community	122,718	102,992
	<u>268,953</u>	<u>317,880</u>

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

5 Grants payable

(Continued)

Asser Bishvil	£27,700
Belz Machnovke	£5,550
Chasdei Yoel Charitable Trust	£27,895
Chomeil Dalim	£10,000
Congregation Beth Medrash Chemed	£20,817
Keren Habinyan D'Satmar	£10,000
Kesser Torah School	£6,340
Kollel Tchabe	£5,100
Kol Yom	£13,000
Talmud Torah Yetev Lev	£7,800
Teshuva Tefilloh Tzodoka	£5,000
U T A	£10,100
Yeshiva Ohel Shimon	£6,000
Yetev Lev	£17,800
Zoreia Zedokos	£30,000

	£203,102
Other grants (below £5,000)	£65,851

	£268,953
	=====

6 Governors

None of the governors (or any persons connected with them) received any remuneration or expenses during the year.

7 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-
	=====	=====

8 Other

	2020	2019
	£	£
Accountancy charges	5,600	5,200
Sundry expenses	1,172	1,079
Bank charges and interest	746	295
Financing costs	9,696	12,685
Management charges	3,000	-
	-----	-----
	20,214	19,259
	=====	=====

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Taxation

The activities of Localtrent Limited are exempt from direct taxation under part II of Corporation Tax Act 2010.

10 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Foreign exchange gains	(4)	(38)

11 Tangible fixed assets

	Land and buildings
	£
Cost	
At 1 April 2019	565,000
Disposals	(165,000)
At 31 March 2020	400,000
Carrying amount	
At 31 March 2020	400,000
At 31 March 2019	565,000

The properties are stated at fair value as valued by the governors who are experienced property investors.

12 Investments in joint property syndicates

	2020
	£
At 1 April 2019	860,620
Surplus for the year	145,335
Capital repayments	(147,524)
At 31 March 2020	858,431

The joint property investments in which the charity is a participator has borrowings secured on the properties owned by the syndicates. The charity's share of such borrowings is not shown in the balance sheet in view of the extent of the security provided by the properties.

13 Fixed asset investments

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

13 Fixed asset investments

(Continued)

		Other investments
Cost or valuation		
At 1 April 2019 & 31 March 2020		110
Carrying amount		
At 31 March 2020		110
At 31 March 2019		110

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	19	110	110

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	23	3,210
Amounts owed by subsidiary undertakings	172,361	158,172
Other debtors	548	548
Prepayments and accrued income	-	13,278
	172,932	175,208

15 Loans and overdrafts

	2020 £	2019 £
Bank loans	148,616	165,148
Payable within one year	16,000	16,000
Payable after one year	132,616	149,148

The charity has a loan with an interest rate of 5.25% above libor and is repayable in 2027 by 48 quarterly payments, with a total of £26,000 currently repayable per annum (including interest).

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	15	16,000	16,000
Trade creditors		26,532	-
Amounts due to subsidiary undertakings		100	100
Other creditors		175,810	167,072
Accruals and deferred income		6,720	9,893
		<u>225,162</u>	<u>193,065</u>

17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	15	<u>132,616</u>	<u>149,148</u>

18 Related party transactions

The charity had the following loan transaction during the year which is repayable on demand.
The company has substantially the same directors/governors as the charity.

	Balance b/fwd	Amount received in the year	Balance c/ fwd
Ardina Limited	42,000	NIL	42,000

19 Subsidiaries

Details of the charity's wholly owned subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Park Lane One Estates Limited	England & Wales	Property Investors	Ordinary	100.00
Wallflower Investments Limited	England & Wales	Property Investors	Ordinary	10.00

LOCALTRENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

19 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Park Lane One Estates Limited	16,927	17,027
Wallflower Investments Limited	(62)	83,167