

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018

KABBALAH CENTRE  
(A company limited by  
guarantee)

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# KABBALAH CENTRE

## (A company limited by guarantee)

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **Trustees**

Marcus Weston  
Gladys Obadiah  
Homa Alliance  
Yarom Yardeni  
Michael Berg  
Karen Berg (resigned 9 January 2018)

#### **Company registered number**

03659214

#### **Charity registered number**

1079796

#### **Registered office**

12 Stratford Place, London, W1C 1BB

#### **Company secretary**

Gladys Obadiah

#### **Independent auditors**

Menzies LLP, Ashcombe House, 5 The Crescent, Leatherhead, Surrey, KT22 8DY

#### **Fund Manager**

Bank Leumi, 20 Stratford Place, London, E1C 1BG

#### **Fund Manager**

Barclays Wealth, 1 Churchill Place, Canary Wharf, London, E15 5HP

#### **Fund Manager**

Axentia Wealth Management Limited, 1 David Hameleh, Tel Aviv-Jaffa, Israel

#### **Fund Manager**

Union Bancaire Privee, UBP SA Bahnhofstrasse 1, CH -8027, Zurich, Switzerland

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The Trustees present their annual report together with the audited financial statements of the Kabbalah Centre for the year 1 January 2018 to 31 December 2018.

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

#### **Objectives and Activities**

#### **POLICIES AND OBJECTIVES**

The charities objective is to make the ancient spiritual wisdom of Kabbalah more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour and human dignity.

The Kabbalah Centre achieves the above by:

- Delivering a wide range of educational Kabbalah courses which are open to the public, regardless of either their religious, ethnic or economic backgrounds. The educational resources open to the public include seminars, online study material, books and other special events. The ongoing development and delivery of the educational program is carried out by a dedicated and committed team of qualified Kabbalah teachers known as the "chevre" in Hebrew who are also available to provide one on one support to students.
- Promoting and organising a series of spiritual events aligned to the Kabbalah calendar throughout the year. The events are open to the entire community and provide an opportunity for ongoing spiritual development and learning while also assisting the Centre to raise funds to continue its charitable mission.
- Working with the wider community to deliver a range of programmes. The Kabbalah Centre has created several community focused programmes that provide direct physical support and assistance to people living in less fortunate conditions.

#### **STRATEGIES FOR ACHIEVING OBJECTIVES**

The key strategy for the Kabbalah Centre in London is to continually expand its reach into communities across Europe by establishing physical Centres in Paris, Lisbon, Madrid and Milan as a starting point, in addition to London. The objective is to continually grow student registrations, across the main cities in Europe and deliver high quality spiritual education and practices that are relevant to the world we live in today, and ultimately serve to provide its students with practical life skills and spiritual tools to create a better quality of life for all of humanity – the students, their families and the wider community within which they live.

#### **ACTIVITIES FOR ACHIEVING OBJECTIVES**

The activities aligned to the strategic objectives are:

*Expand into communities and grow student numbers* – we started implementing the global marketing and communications strategy across Europe during this financial year.

*Deliver high quality spiritual education* - we continue to review and update our educational material and course content, invest in technology and our teachers on an ongoing basis.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### TRUSTEES' REPORT (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees ensure that the activities of the charity are consistent with its charitable objects and aims. In setting and agreeing our annual plans, the Trustees take into account public benefit as set out in the Charity Commission's general guidance on public benefit. The Trustees believe there is clear public benefit derived from the activities of the Kabbalah Centre.

We continued to provide Kabbalah courses, one on one spiritual support and mentorship by trained and experienced teachers during the year. The Centre continued to hold a series of spiritual events across the UK and Europe throughout the year.

The Kabbalah Centre continued its publishing activities, translating and publishing religious texts for students across Europe.

The trading subsidiary, Kabbalah Limited has continued to distribute, market and sell religious books, artifacts and other branded material online and through the warehouse and bookstore in London.

#### Achievements and performance

#### KEY FINANCIAL PERFORMANCE INDICATORS

The Centre ended the 2018 financial year with an operating loss of £1,147,082 (2017 : £1,471,167) and an overall reduction in reserves of £1,263,273 (2017: £902,665) after adjusting for foreign exchange gains and losses. The current years' operating loss was funded from the existing reserves without any major impact on the reserves policy.

Total income decreased significantly once again during this financial year, from £4,387m in 2017 to £3,511m which represents 20% decrease. This overall decrease in income contributed to the operating loss.

Income from donations is generally unpredictable and dependent on the prevailing economic environment, due to the ongoing uncertainty created by Brexit and other global issues, it proved to be a lot more challenging to secure the normal level of major donations across Europe, as a result income from donations declined by £741k this year to £1,617,354 (2017: £2,358,769) this year, historically donor income accounted for above 50% of the charities income, that decreased to 46% in 2018, continuing the declining trend that we have observed over the last three years.

Expenditure on charitable activities of £4,534,954 (2017: £4,668,566) was consistent and in line with the previous year, as various initiatives to better control and manage operating costs were implemented.

The level of investments increased to £20,980,018 (2017: £19,133,211) as further funds held in bank accounts were invested into the portfolio. Cash on hand decreased from £7.8m last year to £4.3m in 2018 part of which was moved to the investment portfolio.

#### REVIEW OF ACTIVITIES

The ongoing progress of the organisation is measured against the following indicators:

- The net financial results for the year and contribution towards unrestricted funds.
- The % growth in student's numbers in London & Europe compared against the worldwide growth.
- The number of Kabbalah classes delivered during the year, attendance and student participation in the wider activities offered at the Centre.
- The increase in the number of people attending the spiritual connections and other events held at the Centre.

The past year proved to be a challenging and difficult period for the Centre as a result of the political and economic instability across Europe, the Centre focused on delivering the revised marketing strategy, investing in new marketing channels in support of its growth strategy and ambition to reach a wider audience. The Trustee's recognise the range of

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### TRUSTEES' REPORT (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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challenges encountered and are satisfied with the overall progress achieved in 2018.

#### **INVESTMENT POLICY AND PERFORMANCE**

The charity has adopted a total return policy for the investment portfolio. The Centre's investment funds are placed with and managed by three qualified fund managers, who are provided with the organisations risk profile and investment policy for overall guidance. The Trustee's meet with the Fund Managers on a quarterly basis to review the performance and agree on the strategy for the next quarter.

#### **FACTORS RELEVANT TO ACHIEVE OBJECTIVES**

A summary of the financial performance for 2018 is set out in the statement of financial activities and the balance sheet on pages 10, 11 and 12.

The organisations consolidated Income for the year decreased by 20% from £4.4m in 2017 to £3.5m this year. The Centre generates its income from the following sources (a) donations – 46% (2017: 53%) (b) Course fees – 24% (2017:17%) (c) Trading activities – 8% (2017:13%) and (d) investments – 18% (2017: 14%). The split across income streams has changed materially in 2018, highlighting the greater dependency on income generated from trading activities and the investment portfolio. We continue to be aware of the declining donor income and shift to other income streams and the challenges that this may present going forward.

Total group expenditure increased by 1.4% in 2018, from £5.5m in 2017 to £5.6m this year.

80% of the total annual expenditure is channelled towards the organisations charitable activities and the balance is spent on fund raising and governance related activities.

#### **GOING CONCERN**

The Trustees are confident that the charity has adequate resources to continue its operational activities for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Total funds decreased from £52.3million to £51 million this year. The Trustees review the level of resources annually and believe that the charity is in a sound financial position with the appropriate level of unrestricted funds to achieve the charities growth objectives and plans for the future.

#### **MATERIAL INVESTMENTS POLICY**

The Trustee's continue to consult widely, with a range of investment specialists to assess and understand the changing investment landscape. The investment policy is reviewed and updated as is considered necessary for the Charity, given the prevailing circumstances at the time.

The Centre's investment portfolio is managed by a team of reputable and professional investment managers who report directly to the Trustee's on a quarterly basis.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### TRUSTEES' REPORT (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **Structure, governance and management**

##### **GOVERNING DOCUMENTS**

Kabbalah Centre (the charity) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 29 October 1998. It is also registered as a charity (charity number: 1079796) with the Charity Commission of England and Wales.

The principal object of the charity and the group is to advance the understanding and ancient spiritual wisdom of the Kabbalah, to make the Kabbalah teachings more readily available to people of all backgrounds, and in turn to build global consciousness around the primary Kabbalah principles of tolerance, sharing, proactive behaviour and human dignity.

##### **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The Charity appoints new Trustees by firstly assessing the functional skills and expertise required for the development and governance of the Kabbalah Centre and selects Trustees on that basis.

The appointment of Trustees is governed by the Memorandum and Articles of Association. Trustee nominations are solicited internally from other current and past Trustees within the charity and its supporters. The new trustee is proposed, seconded and voted in at a Board meeting.

Each new trustee is taken through an induction programme. The programme includes briefings on their legal and ethical responsibilities as trustees, the ethos and values of Kabbalah and a historical overview of the organisation. The trustees are also required to read and sign the conflicts of interest and code of ethics documents.

##### **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Board of Trustees, which must have at least three members, provides the governance, oversight and strategic leadership of the Charity. The Board meets every three months.

##### **REMUNERATION POLICY**

The Centre aims to set remuneration levels for each position within the scale set by comparable charities whilst being mindful of the specific range of business skills, spiritual knowledge and commitment required to run an organisation of this nature.

##### **RISK MANAGEMENT**

The Trustees have assessed the major risks to which the charity and the group is exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that adequate systems and procedures are in place to mitigate our exposure to the major risks identified. The Trustees assess the level of risk on an ongoing basis by looking at both the local UK charity sector and the global trends, performance and other indicators within other Centres across the globe.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### TRUSTEES' REPORT (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### RESERVES AND RESERVES POLICY

The Trustees believe that the Charity should hold adequate unrestricted financial reserves to meet the identified risks. In assessing the level of risk, the Trustees agreed on the following

- o Twelve months operating costs covered by unrestricted reserves.

The Centre held unrestricted reserves of £51m (2017: £52.3m). The unrestricted reserves include land & buildings valued at £26m, leaving a balance of £25m to cover the targeted level of reserves mentioned below.

The targeted level of unrestricted reserves as at 31 December 2018 is £3.8m. The excess reserves are being held for future projects yet to be decided upon by the Trustees.

#### Plans for future periods

The Charity continues to review its operational plan on an ongoing basis to assess how it can expand its facilities across London and Europe in a financially sustainable manner. Increasing student's numbers and expanding into more communities is the key next step and desire of the Centre.

It is envisaged that the growth will be achieved by:

- o The investment in a new global communications and marketing strategy – expanding the global team, investment in technology, software and more regionally focused marketing.
- o Further investment in upgrading and developing our IT systems and internal procedures, CRM & accounting systems in particular.
- o Ongoing training and development of the teaching staff, recruiting and training mentors from the pool of volunteers that work with the Centre.

#### TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Kabbalah Centre for the purposes of company law) are responsible for preparing the Trustees' 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. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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# KABBALAH CENTRE

## (A company limited by guarantee)

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### TRUSTEES' REPORT (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees and signed on their behalf by:

.....  
**Gladys Obadiah**  
Trustee

.....  
**Date**

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KABBALAH CENTRE

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**OPINION**

We have audited the financial statements of Kabbalah Centre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 set out on pages 10 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 of the parent charitable company's affairs as at 31 December 2018 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 Charities Act 2011.

**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 United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KABBALAH CENTRE**

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**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

This report is made solely to the parent charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charitable company's members 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 parent charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Menzies LLP**  
Chartered Accountants  
Statutory Auditor  
Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey  
KT22 8DY  
Date:

Menzies LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# KABBALAH CENTRE

(A company limited by guarantee)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>				
Donations and legacies	2	1,617,354	1,617,354	2,358,769
Charitable activities	3	839,375	839,375	749,931
Other trading activities		287,716	287,716	528,432
Investments	4	641,337	641,337	624,849
Other income		124,800	124,800	124,800
<b>TOTAL INCOME</b>		<b>3,510,582</b>	<b>3,510,582</b>	<b>4,386,781</b>
<b>EXPENDITURE ON:</b>				
Raising funds		1,110,500	1,110,500	894,077
Charitable activities		4,534,954	4,534,954	4,668,566
<b>TOTAL EXPENDITURE</b>	5	<b>5,645,454</b>	<b>5,645,454</b>	<b>5,562,643</b>
<b>NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES)</b>		<b>(2,134,872)</b>	<b>(2,134,872)</b>	<b>(1,175,862)</b>
Net gains/(losses) on investments	11	987,790	987,790	(295,305)
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(1,147,082)</b>	<b>(1,147,082)</b>	<b>(1,471,167)</b>
Gain on foreign exchange translation		(116,191)	(116,191)	568,502
<b>NET MOVEMENT IN FUNDS</b>		<b>(1,263,273)</b>	<b>(1,263,273)</b>	<b>(902,665)</b>
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward		52,327,390	52,327,390	53,230,055
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>51,064,117</b>	<b>51,064,117</b>	<b>52,327,390</b>

The notes on pages 16 to 32 form part of these financial statements.

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**KABBALAH CENTRE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 03659214**

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**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

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	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>25,787,022</b>		26,234,904
Investments	11		<b>20,980,018</b>		19,133,211
			<b>46,767,040</b>		45,368,115
<b>CURRENT ASSETS</b>					
Stocks	12	<b>307,307</b>		275,818	
Debtors	13	<b>315,320</b>		609,188	
Cash at bank and in hand		<b>4,386,606</b>		7,828,554	
		<b>5,009,233</b>		8,713,560	
<b>CREDITORS:</b> amounts falling due within one year	14	<b>(244,244)</b>		(953,617)	
<b>NET CURRENT ASSETS</b>			<b>4,764,989</b>		7,759,943
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>51,532,029</b>		53,128,058
<b>CREDITORS:</b> amounts falling due after more than one year	15		<b>(467,912)</b>		(550,668)
Provisions for Liabilities	16		-		(250,000)
<b>NET ASSETS</b>			<b>51,064,117</b>		52,327,390
<b>CHARITY FUNDS</b>					
Unrestricted funds:	17				
Unrestricted funds	17	<b>33,440,263</b>		34,703,536	
Revaluation reserve		<b>17,623,854</b>		17,623,854	
Total unrestricted funds			<b>51,064,117</b>		52,327,390
<b>TOTAL FUNDS</b>			<b>51,064,117</b>		52,327,390

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### CONSOLIDATED BALANCE SHEET (continued)

#### AS AT 31 DECEMBER 2018

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The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf, by:

.....  
**Gladys Obadiah**

.....  
**Date**

The notes on pages 16 to 32 form part of these financial statements.

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**KABBALAH CENTRE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 03659214**

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**CHARITY BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

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	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>25,787,022</b>		26,234,904
Investments	11		<b>20,980,020</b>		19,133,213
			<b>46,767,042</b>		45,368,117
<b>CURRENT ASSETS</b>					
Debtors	13	<b>1,071,583</b>		1,201,264	
Cash at bank		<b>4,330,673</b>		7,733,125	
		<b>5,402,256</b>		8,934,389	
<b>CREDITORS:</b> amounts falling due within one year	14	<b>(225,097)</b>		<b>(822,523)</b>	
<b>NET CURRENT ASSETS</b>			<b>5,177,159</b>		8,111,866
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>51,944,201</b>		53,479,983
<b>CREDITORS:</b> amounts falling due after more than one year	15		<b>(467,912)</b>		(550,668)
Provisions for Liabilities	16		-		(250,000)
<b>NET ASSETS</b>			<b>51,476,289</b>		52,679,315
<b>CHARITY FUNDS</b>					
Unrestricted funds:	17				
Unrestricted income funds	17	<b>33,852,435</b>		35,055,461	
Revaluation reserve		<b>17,623,854</b>		17,623,854	
Total unrestricted funds			<b>51,476,289</b>		52,679,315
<b>TOTAL FUNDS</b>			<b>51,476,289</b>		52,679,315

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### CHARITY BALANCE SHEET (continued)

#### AS AT 31 DECEMBER 2018

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The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

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.....  
**Gladys Obadiah**

.....  
**Date**

The notes on pages 16 to 32 form part of these financial statements.



# KABBALAH CENTRE

(A company limited by guarantee)

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(2,019,491)	(523,942)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(37,961)	(94,029)
Proceeds from sale of investments		-	2,717,453
Purchase of investments		(1,300,846)	-
<b>Net cash (used in)/provided by investing activities</b>		(1,338,807)	2,623,424
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(82,756)	(55,229)
<b>Net cash used in financing activities</b>		(82,756)	(55,229)
<b>Change in cash and cash equivalents in the year</b>		(3,441,054)	2,044,253
Cash and cash equivalents brought forward		7,828,554	5,784,301
<b>Cash and cash equivalents carried forward</b>	20	4,387,500	7,828,554

The notes on pages 16 to 32 form part of these financial statements.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Kabbalah Centre 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.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

The net expenditure for the year dealt with in the accounts of the charity was £431,340 (2016 - Net income of £3,868,747).

##### 1.2 Company status

Kabbalah Centre is a company limited by guarantee incorporated in England and Wales. It is also registered as a charity (charity number: 1079796) with the Charity Commission of England and Wales. The registered office of the charity can be found on page 1.

##### 1.3 Going concern

Total funds decreased from £53.2 million to £52.3 million this year. The Trustees review the level of resources annually and believe that the charity is in a sound financial position with the appropriate level of unrestricted funds to achieve the charities growth objectives and plans for the future.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

##### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

##### 1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight line
Motor vehicles	-	33% Reducing balance
Fixtures and fittings	-	10% straight line
Other fixed assets	-	10% straight line

##### 1.8 Revaluation of tangible fixed assets

The charity has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

##### 1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

##### (i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

##### 1.10 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.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.12 Debtors

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

##### 1.13 Cash at Bank and in hand

Cash at bank and 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.

##### 1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.15 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### 1.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

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# KABBALAH CENTRE

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,617,354	1,617,354	2,358,769
	<hr/>	<hr/>	<hr/>
<i>Total 2017</i>	2,358,769	2,358,769	
	<hr/>	<hr/>	

### 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Kabbalistic education	839,375	839,375	749,931
	<hr/>	<hr/>	<hr/>
<i>Total 2017</i>	749,931	749,931	
	<hr/>	<hr/>	

### 4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank and other interest receivable	69,942	69,942	16,649
Dividends received - listed investments	571,395	571,395	608,200
	<hr/>	<hr/>	<hr/>
	641,337	641,337	624,849
	<hr/>	<hr/>	<hr/>
<i>Total 2017</i>	624,849	624,849	
	<hr/>	<hr/>	

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	216,401	216,401	251,590
Expenditure on fundraising trading	-	-	713,665	713,665	642,487
Expenditure on investment management	-	-	180,434	180,434	-
<b>Costs of raising funds</b>	<b>-</b>	<b>-</b>	<b>1,110,500</b>	<b>1,110,500</b>	<b>894,077</b>
Charitable programmes	994,183	485,784	2,863,010	4,342,977	4,500,905
Expenditure on governance	-	-	191,977	191,977	167,661
<b>Total 2018</b>	<b>994,183</b>	<b>485,784</b>	<b>4,165,487</b>	<b>5,645,454</b>	<b>5,562,643</b>
<i>Total 2017</i>	<i>875,589</i>	<i>496,991</i>	<i>4,190,063</i>	<i>5,562,643</i>	

#### 6. TURNOVER

All turnover of the trading subsidiary of £304,026 (2017: £528,432) is attributable to sale of religious products.

#### 7. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to Audit fees of £21,630 (2017 - £15,500), and accountancy and taxation services of £11,120 (2017 - £16,438).

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 8. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	908,568	807,076
Social security costs	75,962	64,409
Other pension costs	9,653	4,104
	<u>994,183</u>	<u>875,589</u>

The average number of persons employed by the charity during the year was as follows:

2018 No.	2017 No.
40	42

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration and benefits received by key management personnel amounted to £235,710 (2017: £196,236)

#### 9. TRUSTEES' REMUNERATION AND EXPENSES

During the year, none of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

During the year, trustees received reimbursement for their expenses amounting to £Nil (2017: £Nil).



# KABBALAH CENTRE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 10. TANGIBLE FIXED ASSETS

Group	Land and buildings £	Other fixed assets £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	27,932,599	1,003,044	28,935,643
Additions	-	37,961	37,961
Foreign exchange movement	-	368	368
At 31 December 2018	27,932,599	1,041,373	28,973,972
<b>Depreciation</b>			
At 1 January 2018	1,902,446	798,293	2,700,739
Charge for the year	438,652	47,132	485,784
Foreign exchange movement	-	427	427
At 31 December 2018	2,341,098	845,852	3,186,950
<b>Net book value</b>			
At 31 December 2018	25,591,501	195,521	25,787,022
At 31 December 2017	26,030,153	204,751	26,234,904

Cost or valuation at 31 December 2018 is as follows:

Group	Land and buildings £
<b>At cost</b>	11,540,865
<b>At valuation:</b>	
Valuation in 2004	1,813,087
Valuation in 2006	302,844
Valuation in 2015	14,275,803
	27,932,599

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2018 £	2017 £
Cost	11,540,865	11,489,355
Accumulated depreciation	(2,253,861)	(1,994,471)
Net book value	9,287,004	9,494,884

# KABBALAH CENTRE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	Freehold Property £	Other fixed assets £	Total £
<b>Charity</b>			
<b>Cost or valuation</b>			
At 1 January 2018	27,932,599	789,440	28,722,039
Additions	-	37,961	37,961
Foreign exchange movement	-	368	368
At 31 December 2018	27,932,599	827,769	28,760,368
<b>Depreciation</b>			
At 1 January 2018	1,902,446	584,689	2,487,135
Charge for the year	438,652	47,132	485,784
Foreign exchange movement	-	427	427
At 31 December 2018	2,341,098	632,248	2,973,346
<b>Net book value</b>			
At 31 December 2018	25,591,501	195,521	25,787,022
At 31 December 2017	26,030,153	204,751	26,234,904

Cost or valuation at 31 December 2018 is as follows:

	Land and buildings £
<b>Charity</b>	
<b>At cost</b>	11,540,865
<b>At valuation:</b>	
Valuation in 2004	1,813,087
Valuation in 2006	302,844
Valuation in 2015	14,275,803
	27,932,599

The land and buildings were revalued on 31 December 2015 by the trustees on an open market existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
<b>Charity</b>		
Cost	11,540,865	11,489,355
Accumulated depreciation	(2,253,861)	(1,994,471)
Net book value	9,287,004	9,494,884

# KABBALAH CENTRE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 11. FIXED ASSET INVESTMENTS

<b>Group</b>	<b>Listed securities £</b>
<b>Market value</b>	
At 1 January 2018	19,133,211
Additions	6,213,036
Disposals	(1,389,550)
Revaluations	(2,976,679)
At 31 December 2018	<u>20,980,018</u>

#### Group investments at market value comprise:

	<b>2018 £</b>	<b>2017 £</b>
Listed investments	<u>20,980,018</u>	<u>19,133,211</u>

<b>Charity</b>	<b>Listed securities £</b>	<b>Unlisted securities £</b>	<b>Total £</b>
<b>Market value</b>			
At 1 January 2018	19,133,211	2	19,133,213
Additions	6,213,036	-	6,213,036
Disposals	(1,389,550)	-	(1,389,550)
Revaluations	(2,976,679)	-	(2,976,679)
At 31 December 2018	<u>20,980,018</u>	<u>2</u>	<u>20,980,020</u>

#### Charity investments at market value comprise:

	<b>2018 £</b>	<b>2017 £</b>
Listed investments	20,980,018	19,133,211
Group	2	2
Total	<u>20,980,020</u>	<u>19,133,213</u>

For details on the subsidiary, please refer to note 27.

# KABBALAH CENTRE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 12. STOCKS

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Finished goods and goods for resale	<b>307,307</b>	275,818	-	-

### 13. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	<b>132,297</b>	33,787	<b>77,358</b>	3,478
Amounts owed by group undertakings	<b>20,854</b>	-	<b>849,673</b>	642,259
Other debtors	<b>126,327</b>	526,985	<b>108,710</b>	521,683
Prepayments and accrued income	<b>35,842</b>	48,416	<b>35,842</b>	33,844
	<b>315,320</b>	609,188	<b>1,071,583</b>	1,201,264

### 14. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Bank loans and overdrafts	<b>73,640</b>	73,640	<b>73,640</b>	73,640
Trade creditors	<b>60,888</b>	284,779	<b>63,148</b>	81,175
Amounts owed to group undertakings	<b>47,450</b>	-	<b>26,043</b>	79,666
Corporation tax	-	441	-	-
Other creditors	<b>12,030</b>	553,034	<b>12,030</b>	547,034
Accruals and deferred income	<b>50,236</b>	41,723	<b>50,236</b>	41,008
	<b>244,244</b>	953,617	<b>225,097</b>	822,523

# KABBALAH CENTRE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 15. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	<b>467,912</b>	550,668	<b>467,912</b>	550,668

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Repayable by instalments	<b>467,912</b>	550,668	<b>467,912</b>	550,668

### 16. PROVISIONS

<b>Group and Charity</b>	<b>VAT provision</b>
	£
At 1 January 2018	<b>250,000</b>
Amounts reversed	<b>(250,000)</b>
At 31 December 2018	-

#### VAT provision

During the prior year the charity received a routine VAT inspection that identified undeclared VAT liabilities. During 2018 this liability was settled with a payment being made totalling £222,731. The provision that was in place has now been released.

# KABBALAH CENTRE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 17. STATEMENT OF FUNDS

#### STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>					
General Funds - all funds	34,703,536	3,510,582	(5,645,454)	871,599	33,440,263
Revaluation Reserves	17,623,854	-	-	-	17,623,854
	<u>52,327,390</u>	<u>3,510,582</u>	<u>(5,645,454)</u>	<u>871,599</u>	<u>51,064,117</u>

#### STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
General funds	35,430,095	4,386,781	(5,386,537)	34,703,536
<b>General funds</b>				
Revaluation Reserves	17,623,854	-	-	17,623,854
Restricted Funds - all funds	<u>176,106</u>	<u>-</u>	<u>(176,106)</u>	<u>-</u>

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

##### ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	25,787,022	25,787,022
Fixed asset investments	20,980,018	20,980,018
Current assets	5,009,233	5,009,233
Creditors due within one year	(244,244)	(244,244)
Creditors due in more than one year	(467,912)	(467,912)
	<u>51,064,117</u>	<u>51,064,117</u>

##### ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	26,234,905	26,234,905
Fixed asset investments	19,133,211	19,133,211
Current assets	8,713,559	8,713,559
Creditors due within one year	(953,617)	(953,617)
Creditors due in more than one year	(550,668)	(550,668)
Provisions for liabilities and charges	(250,000)	(250,000)
	<u>52,327,390</u>	<u>52,327,390</u>

# KABBALAH CENTRE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(1,147,082)</b>	<b>(1,471,167)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>485,784</b>	<b>496,989</b>
(Decrease) / increase in provisions	<b>(250,000)</b>	<b>250,000</b>
(Increase) / decrease in stocks	<b>(31,489)</b>	<b>7,036</b>
(Decrease) / increase in debtors	<b>(293,868)</b>	<b>(57,785)</b>
(Decrease) / increase in creditors	<b>(792,129)</b>	<b>103,686</b>
Net fair value losses / (gains) recognised in P&L	<b>-</b>	<b>(2,227)</b>
Foreign exchange on retranslation	<b>-</b>	<b>167,841</b>
Interest charge	<b>9,293</b>	<b>8,276</b>
Tax paid	<b>-</b>	<b>(26,591)</b>
<b>Net cash used in operating activities</b>	<b>(2,019,491)</b>	<b>(523,942)</b>

### 20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>4,387,500</b>	<b>7,828,554</b>
Total	<b>4,387,500</b>	<b>7,828,554</b>

### 21. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from this of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund, these are allocated against unrestricted funds. At the year end the contributions amounted to £9,653 (2017: £4,104).



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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 22. OPERATING LEASE COMMITMENTS

At 31 December 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Group and Charity</b>		
<b>Amounts payable:</b>		
Within 1 year	95,810	97,626
Between 1 and 5 years	-	45,283
Total	<u>95,810</u>	<u>142,909</u>

#### 23. OPERATING LEASE: LESSOR

	2018 £	2017 £
<b>Group / Charity</b>		
<b>Amounts receivable:</b>		
Within 1 year	93,253	124,800
Between 1 and 5 years	-	82,853
Total	<u>93,253</u>	<u>207,653</u>

#### 24. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

#### 25. RELATED PARTY TRANSACTIONS

At the year end, an amount of £828,819 (2017:£562,598) was owed to Kabbalah Centre by Kabbalah Limited.

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# KABBALAH CENTRE

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 26. PRINCIPAL SUBSIDIARIES

##### **Kabbalah Limited**

Subsidiary name	Kabbalah Limited
Company registration number	03795511
Basis of control	100% Equity shareholding
Total assets as at 31 December 2018	£ 461,800
Total liabilities as at 31 December 2018	£ 873,970
Total equity as at 31 December 2018	£ (412,170)
Turnover for the year ended 31 December 2018	£ 287,716
Expenditure for the year ended 31 December 2018	£ 348,458
Loss for the year ended 31 December 2018	£ (60,541)

The registered office of Kabbalah Limited is 12 Stratford Place, London, England, W1C 1BB.