

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

Company No: 3242641

**FINANCIAL STATEMENTS**

**for the year ended**

**30TH SEPTEMBER 2001**



**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

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**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

**LEGAL AND ADMINISTRATIVE DETAILS**

**Name:** Chevras Tsedokoh Limited

**Status:** Incorporated registered charity (Revenue No. XR26343)  
Company No. 3242641  
Charity No. 1058260

**Registered Address:** 13-17 New Burlington Place  
Regent Street  
London W1S 2HL

**Charity Trustees:** Mr. Abraham Klein  
Mrs. Sarah Padwa  
Mr. Joshua Sternlicht

**Secretary:** Mr. Joshua Sternlicht

**Auditors:** Messrs Cohen Arnold & Co.  
13-17 New Burlington Place  
Regent Street  
London W1S 2HL

**Bankers:** Barclays Bank Plc  
Mile End and Bow Group

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**

The trustees present their annual report and the audited financial statements for the year ended 30th September 2001.

**CHARITY OBJECTS**

To foster, assist and promote the charitable activities of any institution professing and teaching the principles of traditional Judaism, to advance religion in accordance with the Jewish faith and to give philanthropic aid to the Jewish needy.

**ORGANISATION STRUCTURE AND REVIEW**

The organisation is run by the trustees each of whom holds office for life or until ceasing to hold office by virtue of Article 48 of the Articles of Association.

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

During the year the charity's principal sources of income were donations totalling £840,000 and rental income of £628,000. After paying mortgage interest of £436,701 and administration expenses of £2,949 the charity distributed £410,000 by way of donations.

**RESERVES POLICY**

The reserves policy is to ensure that there is a sufficient stream of income to meet the ongoing calls made on the charity including the possibility of providing capital assets for the needs of charitable institutions.

**FIXED ASSETS**

The movements in fixed assets are fully reflected in note 5 to the financial statements.

**LAND AND BUILDINGS**

The company's investment property is included in the Balance Sheet at cost.

The governors are of the opinion that the open market value of the company's investment property is at least equal to the amount at which it is included in the financial statements.

**TRUSTEES RESPONSIBILITIES**

Company law and charity legislation requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state affairs of the company and of its profit or loss for that period. In preparing the financial statements, the trustees are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
(Cont'd)

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CLOSE COMPANY**

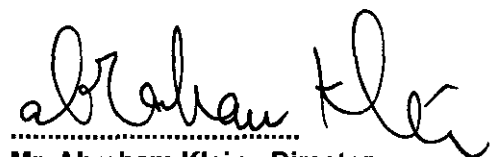
The company is a close company as defined by the Income and Corporation Taxes Act 2001.

**AUDITORS**

The company's auditors, Messrs Cohen Arnold & Co., are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**On Behalf of the Board of Trustees**

A handwritten signature in dark ink, appearing to read 'Abraham Klein', is written over a dotted line.

**Mr. Abraham Klein - Director**

**Date: 10<sup>th</sup> July 2002**

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**YEAR ENDED 30TH SEPTEMBER 2001**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on pages 2 and 3, the trustees (who are also the directors of Chevrass Tsedokoh Limited for the purposes of company law) are responsible for the preparation of the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the trustees' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**BASIS OF AUDIT OPINION**

We have conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence and to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**DEPARTURE FROM ACCOUNTING STANDARDS**

The company's investments are included in the financial statements on the basis indicated in Note 1 of Accounting Policies. This does not comply with the requirements of Statement of Recommended Practice No.2 which requires such investments to be stated at open market value. However, as stated in their report, the governors are of the opinion that the company's investments have an open market value at least equal to the amount at which they are included in the financial statements.

**QUALIFIED OPINION ARISING FROM DEPARTURE FROM ACCOUNTING STANDARDS**

Except for non-compliance with the requirements of Statement of Recommended Practice No. 2, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and charity legislation.

13-17 New Burlington Place  
LONDON W1S 2HL

Date: 16th July 2002

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COHEN ARNOLD & CO  
Chartered Accountants and  
Registered Auditor

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

|   | <u>Notes</u> | <u>2001</u> | <u>2000</u> |
|---|--------------|-------------|-------------|
|   |              | £           | £           |
| <b>INCOMING RESOURCES</b>                 |              |             |             |
| Donations received                        |              | 820,000     | 695,000     |
| Investment income                         | 3            | 634,938     | 631,619     |
|   |              | <hr/>       | <hr/>       |
| <b>TOTAL INCOMING RESOURCES</b>           |              | 1,454,938   | 1,326,619   |
| <b>RESOURCES EXPENDED</b>                 |              |             |             |
| <b>Direct charitable expenditure</b>      |              |             |             |
| Charitable donations                      |              | 410,000     | 160,000     |
| <b>Other expenditure</b>                  |              |             |             |
| Auditors' remuneration                    |              | 1,586       | 999         |
| Accountancy fees                          |              | 940         | 940         |
| General expenses                          |              | 423         | 324         |
| Interest payable and similar charges      | 4            | 436,701     | 459,438     |
|   |              | <hr/>       | <hr/>       |
| <b>TOTAL RESOURCES EXPENDED</b>           |              | (849,650)   | (621,701)   |
|   |              | <hr/>       | <hr/>       |
| <b>NET INCOMING RESOURCES</b>             |              | 605,288     | 704,918     |
|   |              | <hr/>       | <hr/>       |
| Unrestricted funds brought forward        |              | 1,378,583   | 673,665     |
|   |              | <hr/>       | <hr/>       |
| <b>UNRESTRICTED FUNDS CARRIED FORWARD</b> |              | £1,983,871  | £1,378,583  |
|   |              | <hr/>       | <hr/>       |

The company commenced its activities during the preceding financial period.

The company has no recognised gains or losses other than those reflected in the above income & expenditure account for the financial year or for the previous year.

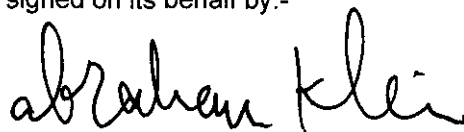
The notes on pages 7 to 10 form part of these financial statements.

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**BALANCE SHEET AS AT 30TH SEPTEMBER 2001**

|  | Notes | £ | <u>2001</u> | £ | £ | <u>2000</u> | £ |
|--|-------|---|-------------|---|---|-------------|---|
| <b>FIXED ASSETS</b>  |       |   |             |   |   |             |   |
| Tangible Assets  | 5     |   | 7,294,947   |   |   | 7,294,947   |   |
| <b>CURRENT ASSETS</b>  |       |   |             |   |   |             |   |
| Cash at bank and in hand                                       |       |   | 421,726     |   |   | 230,166     |   |
| <b>CREDITORS:</b> Amounts falling due within one year          | 6     |   | (408,141)   |   |   | (697,296)   |   |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>                        |       |   |             |   |   |             |   |
|  |       |   | 13,585      |   |   | (467,130)   |   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |   | 7,308,532   |   |   | 6,827,817   |   |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 7     |   | (5,324,661) |   |   | (5,449,234) |   |
| <b>NET ASSETS</b>  |       |   | £1,983,871  |   |   | £1,378,583  |   |
| <b>CAPITAL FUNDS:-</b>   |       |   |             |   |   |             |   |
| Unrestricted Accumulated Fund                                  | 8     |   | £1,983,871  |   |   | £1,378,583  |   |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board on 10<sup>th</sup> July 2002 and signed on its behalf by:-



**Mr. Abraham Klein**

Trustees



**Mrs. Sarah Padwa**

The notes on pages 7 to 10 form part of these financial statements.



**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in the preparation of the company's financial statements.

**1.1 BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and Statement of Recommended Practice (SORP 2000) for Charities except for the policy of accounting for investments referred to in Note 1.2 below.

**1.2 INVESTMENTS**

The company's investments are included in the financial statements at historical cost, which is not in accordance with Statement of Recommended Practice No. 2 which require such investments to be stated at current market value.

**1.3 DEPRECIATION**

No depreciation or amortisation is provided in respect of freehold investment property or on leasehold investment property having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all property to be depreciated, is necessary, as the trustees consider that this Accounting Policy results in the financial statements giving a true and fair view.

**1.4 ACQUISITIONS AND DISPOSALS OF PROPERTY**

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

**1.5 VOLUNTARY INCOME**

Donations represent voluntary amounts receivable during the period.

**1.6 EXPENDITURE**

All expenditure is classified under the charity's principal categories of charitable and other expenditure and by the type of expense.

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

**1. ACCOUNTING POLICIES (cont.)**

**1.7 FUND ACCOUNTING**

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds subject to specific restricted conditions imposed by donors. There are no restricted funds as at the Balance Sheet date.

Designated funds are funds which have been set aside at the discretion of the trustees for specific purposes. There are no designated funds as at the Balance Sheet date.

**1.8 TAXATION**

The company is not liable to direct taxation (Income Tax) on its income as it falls within the various exemptions available to registered charities.

The company is not registered for value added tax (VAT) and is therefore unable to reclaim any input it suffers on its purchases. Expenditure in the financial statements is therefore shown inclusive of VAT where appropriate.

**1.9 CASH FLOW STATEMENT**

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No. 1) on the basis of it being a "small company" as defined by Section 247 Companies Act 1985.

**2. FORMAT OF FINANCIAL STATEMENTS**

The financial statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the trustees consider to be appropriate to comply with charities legislation.

**3. INVESTMENT INCOME**

|                              | <u>2001</u><br>£ | <u>2000</u><br>£ |
|------------------------------|------------------|------------------|
| Rents and charges receivable | 628,000          | 628,000          |
| Bank deposit interest        | 6,938            | 3,619            |
|                              | <hr/>            | <hr/>            |
|                              | £634,938         | £631,619         |
|                              | <hr/>            | <hr/>            |

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|                           | <u>2001</u> | <u>2000</u> |
|---------------------------|-------------|-------------|
|                           | £           | £           |
| Bank charges and interest | £436,701    | £459,438    |
|                           | <hr/>       | <hr/>       |

**5. TANGIBLE FIXED ASSETS**

|   | <u>2001</u> | <u>2000</u> |
|---|-------------|-------------|
|   | £           | £           |
| <b>Freehold Land and Buildings</b>                                  |             |             |
| <b>At Cost:</b>   |             |             |
| At 1 <sup>st</sup> October 2000 and 30 <sup>th</sup> September 2001 | £7,294,947  | £7,294,947  |
|   | <hr/>       | <hr/>       |

The net book value of land and buildings represents fixed assets used for:

**Direct charitable purposes**

|                   |            |            |
|-------------------|------------|------------|
| Investment income | 7,294,947  | 7,294,947  |
|                   | <hr/>      | <hr/>      |
|                   | £7,294,947 | £7,294,947 |
|                   | <hr/>      | <hr/>      |

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|  | <u>2001</u> | <u>2000</u> |
|--|-------------|-------------|
|  | £           | £           |
| Current instalment of bank loan (note 7) | 130,000     | 135,000     |
| Loan creditors                           | 5,000       | 283,813     |
| Sundry creditors and accruals            | 273,141     | 278,483     |
|  | <hr/>       | <hr/>       |
|  | £408,141    | £697,296    |
|  | <hr/>       | <hr/>       |

The loan creditor is Cedarhope Properties of which the governors of this charity are shareholders and directors. This loan is interest free and repayable on demand.

**CHEVRAS TSEDOKOH LIMITED**  
**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

**7. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR**

|                                 | <u>2001</u> | <u>2000</u> |
|---------------------------------|-------------|-------------|
|                                 | £           | £           |
| Bank advance                    | 5,454,661   | 5,584,234   |
| <u>Less: Current instalment</u> | (130,000)   | (135,000)   |
|                                 | <hr/>       | <hr/>       |
|                                 | £5,324,661  | £5,449,234  |
|                                 | <hr/>       | <hr/>       |

The mortgage advance, which is secured by a first legal charge over the investment properties included in the financial statements at £7,294,947, is subject to a fixed rate of interest and is repayable on 25<sup>th</sup> March 2014.

**8. UNRESTRICTED ACCUMULATED FUNDS**

|                                       | <u>General</u> |
|---------------------------------------|----------------|
|                                       | <u>Funds</u>   |
|                                       | £              |
| <i>At 1<sup>st</sup> October 2000</i> | 1,378,583      |
| Surplus for the year                  | 605,288        |
|                                       | <hr/>          |
| At 30 <sup>th</sup> September 2001    | £1,983,871     |
|                                       | <hr/>          |

**9. RELATED PARTY TRANSACTIONS**

During the year the charity received a Gift Aid donation of £600,000 from Regentpost Limited, a company of which the trustees of this charity are directors and in which their families have a beneficial interest and donations of £200,000 from Shulem B. Association Limited, a registered charity of which the trustees and other family members are amongst the trustees. Charitable donations of £15,000 were made to Siva Charitable Fund, a charity of which Mr J. Sternlicht is a trustee.