

**COMPANY REGISTRATION NUMBER: 00711513**

**CHARITY REGISTRATION NUMBER: 313654**

**SHULEM B. ASSOCIATION LIMITED**

**Company Limited by Guarantee**

**FINANCIAL STATEMENTS**

**30 SEPTEMBER 2016**

**COHEN ARNOLD**

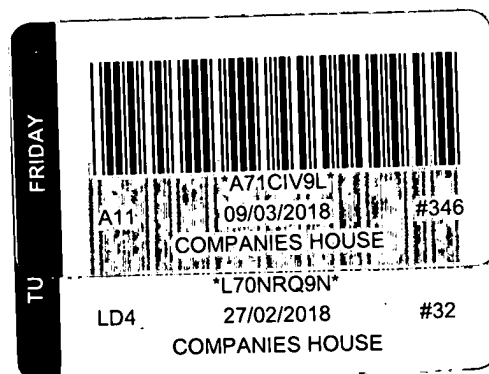
Chartered accountant & statutory auditor

New Burlington House

1075 Finchley Road

LONDON

NW11 0PU



**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2016**

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**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**  
**YEAR ENDED 30 SEPTEMBER 2016**

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The trustees, who are also the directors for the purposes of company law, present their report including the strategic report and the financial statements of the charity for the year ended 30 September 2016.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered charity name** Shulem B. Association Limited

**Charity registration number** 313654

**Company registration number** 00711513

**Principal office and registered office** New Burlington House  
1075 Finchley Road  
NW11 0PU  
London

Mr Samuel Berger

**THE TRUSTEES**

Mrs Sarah Rachel Klein  
Mrs Zelda Sternlicht

**AUDITOR**

Cohen Arnold  
Chartered accountant & statutory auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**  
*(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Shulem B. Association Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11th December 1961 and amended on 10th April 1995.

**Appointment, Training and Recruitment of Trustees**

As set out in the Articles of Association the members of the charity shall not exceed twenty-five. There are two classes of members:

Ordinary Members - subscribers and all persons subsequently admitted by the Council to membership.  
Honorary Members - persons the Council may admit from time to time with written consent.

No person shall be admitted to the membership of the company as an ordinary member unless:

" that person has signed and sent to the Secretary an application for admission framed in such terms as the Council shall from time to time prescribe, and " that person has been elected to membership by the Council.

All current trustees are ordinary members and no honorary members have been appointed. The organisation is run by the governors who are the trustees. Every trustee holds office until death or shall cease to hold office by virtue of Article 49 of the Articles of Association.

It is not currently the intention of the trustees of the charity to appoint new trustees. Should the situation change in the future, the trustees will apply suitable recruitment and training procedures.

**Organisation**

Unless and until otherwise determined by the charity the board of trustees (Council) shall consist of not less than three and not more than fifteen trustees. The Council appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Council shall as soon as practicable fill the vacancy. Three ordinary members present in person shall form a quorum at a general meeting.

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

**Group Structure and Relationships**

The charity's active subsidiaries which are listed in Note 18 are engaged in property investment and property trading. The directors of the subsidiary undertakings are either trustees or connected with the trustees of this charity.

**Risk Management**

The trustees have identified and reviewed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity, and are satisfied that systems are in place to mitigate those risks.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**  
*(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**Financial risk management and policies**

The charity holds or issues financial instruments in order to achieve three main objectives being:

- a) to finance its operations.
- b) to manage its exposure to interest and currency risks arising from operations and from its sources of finance.
- c) to generate funds.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the charity's operations.

**Credit risk**

The charity monitors credit risk closely and considers that its current policies of credit risk checks meets its objectives of managing exposure to credit risk.

The charity has no significant concentrations of credit risk. Amounts shown in the balance sheet represent the maximum anticipated credit risk exposure.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**Related Parties**

Details of transactions with Related Parties are disclosed in Note 29 to the financial statements.

**OBJECTIVES AND ACTIVITIES**

**Charity Objects**

The charity is established for charitable purposes only and (without prejudice to the generality of the foregoing words) in particular to do, perform and carry out all or any of the following objects:

" to establish, provide and carry on whether in the United Kingdom or elsewhere, a school or schools where the pupils may obtain a sound education of the highest order; " to provide religious instruction and training therein in accordance with the doctrines and principles of traditional Judaism; " to foster education and moral and religious training in accordance with the said principles; " to provide any accommodation which may be deemed desirable for the pupils attending and persons employed at any school or schools carried on by the company; " to establish and support or aid in the establishment and support of any charitable association or institution, trust or fund, and to subscribe or guarantee money for any charitable purpose which the company shall consider calculated to promote its objectives or any of them.

**Aims, objectives and activities for public benefit**

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

## **SHULEM B. ASSOCIATION LIMITED**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**

*(continued)*

**YEAR ENDED 30 SEPTEMBER 2016**

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This charity was established for general charitable purposes and in particular to support the activities of Jewish religious organisations, especially in the field of education and to provide philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objects of the charity and in doing so the charity has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2011. The number of organisations and institutions which are regularly supported by Shulem B. Association Limited is large and thus there has been a continual call for funding for both capital projects and revenue support.

#### **STRATEGIC REPORT**

The main areas of charitable activity are the provision of financial support to Jewish organisations engaging in education, advancement of religion in accordance with the orthodox Jewish faith and the provision of philanthropic aid to Jewish needy. The demands on the charity were met from the current income with the surplus funds being retained for future years.

#### **FINANCIAL REVIEW**

The charity is dependant for its income on the commercial activities of its subsidiaries and on its investments.

The Charitable Company's Consolidated Statement of Financial Activities shows a net surplus of £7,478,538 (2015: £12,926,200) and total reserves of £69,248,832 (2015: £61,770,294). Donations paid during the year were £ 5.93m (2015: £6.4m).

All grants were paid were for Alleviation of Poverty, Education and Furtherance of Jewish Religion and general charitable purposes. The analysis of the grants is included in these financial statements

#### **Investment Powers and Performance**

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that the funds so utilised are not immediately required for use in connection with any of its objects. The trustees regularly review the charity's position and needs in respect of the investment policy.

#### **Grant Making Policy**

Grants are made available to charitable institutions and organisations which conform to the objects of the charity after the trustees have satisfied themselves as to their bona fides.

#### **Investments**

The charity's unquoted investments are included in the financial statements at trustees' valuation. The movements in investments are fully reflected in notes to the financial statements

**SHULEM B. ASSOCIATION LIMITED****COMPANY LIMITED BY GUARANTEE****TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)***(continued)***YEAR ENDED 30 SEPTEMBER 2016**

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**Reserves Policy**

The Reserves Policy of the Trustees is to maintain unrestricted funds, which are the free reserves of the Charitable Company, at a level they consider appropriate to the Charitable Company's needs taking into account likely future requirements. A proportion of the reserves is held in readily realisable form to cover on-going grant-making activities and contingencies arising from additional calls made upon the Charitable Company for the support of organisations in times of need. The Charitable Company's reserves are represented by unrestricted funds arising from past operating results. The Trustees are satisfied that the present balance of distributable reserves is sufficient to support anticipated expenditure.

**Key Performance Indicators**

The Trustees monitor the group's performance against the strategic objectives on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial indicators. The key financial performance indicators used by the group are as follows:

	<u>2016</u>	<u>2015</u>
	£	£
Net Income from Commercial Activities	7,304,273	11,544,296
Grants and donations paid	5,929,900	6,401,800
Net investment income	591,470	684,268
Gains on investments	14,875	1,902,914
Fair value movements	7,102,565	6,550,218
Net movement in funds – surplus	7,478,538	12,926,200
Total funds	69,248,832	61,770,294

**Plans for the Future**

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory incoming resources.

**Fixed Assets**

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

**Land and Buildings**

The company's investment properties are included in the financial statements at fair value and have been valued by the trustees.

**SHULEM B. ASSOCIATION LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**

*(continued)*

**YEAR ENDED 30 SEPTEMBER 2016**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITOR**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 12<sup>th</sup> February 2018 and signed on behalf of the board of trustees by:

  
Mrs Sarah Rachel Klein  
Trustee



# **SHULEM B. ASSOCIATION LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHULEM B. ASSOCIATION LIMITED**

**YEAR ENDED 30 SEPTEMBER 2016**

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We have audited the financial statements of Shulem B. Association Limited for the year ended 30 September 2016 which comprise the Group statement of financial activities (including income and expenditure account), Group and Company statement of financial position, Group statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Charitable Company's affairs as at 30 September 2016 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 Companies Act 2006.
-

**SHULEM B. ASSOCIATION LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHULEM B.  
ASSOCIATION LIMITED** *(continued)*

**YEAR ENDED 30 SEPTEMBER 2016**

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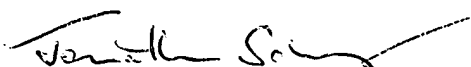
**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with applicable legal requirements.

**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:

- adequate accounting records of the Parent Charitable Company have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Schwarz  
(Senior Statutory Auditor)

For and on behalf of  
Cohen Arnold  
Chartered accountant & statutory auditor  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

12<sup>th</sup> February 2018

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**GROUP STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**30 SEPTEMBER 2016**

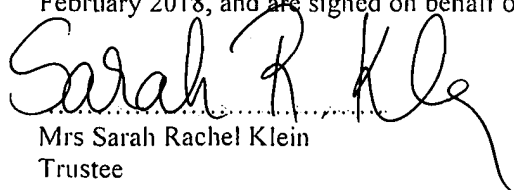
		2016		2015
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£	£	£
<b>Income and endowments</b>				
Commercial Operations	4	9,910,940	9,910,940	19,540,653
Investment income	5	1,076,649	1,076,649	1,013,004
<b>Total income</b>		<u>10,987,589</u>	<u>10,987,589</u>	<u>20,553,657</u>
<b>Expenditure</b>				
Expenditure on raising funds:				
Commercial Operations	6	2,606,667	2,606,667	7,996,357
Investment management costs	7	485,179	485,179	328,736
Expenditure on charitable activities	8,9	6,025,489	6,025,489	6,440,020
Interest payable and similar charges	12	593,393	593,393	673,510
Taxation	13	915,763	915,763	641,966
<b>Total expenditure</b>		<u>10,626,491</u>	<u>10,626,491</u>	<u>16,080,589</u>
Net gains on investments	14	14,875	14,875	1,902,914
<b>Net income</b>		<u>375,973</u>	<u>375,973</u>	<u>6,375,982</u>
<b>Other recognised gains and losses</b>				
Fair value movements		7,102,565	7,102,565	6,550,218
<b>Net movement in funds</b>		<u>7,478,538</u>	<u>7,478,538</u>	<u>12,926,200</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		61,770,294	61,770,294	48,844,094
<b>Total funds carried forward</b>		<u>69,248,832</u>	<u>69,248,832</u>	<u>61,770,294</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF FINANCIAL POSITION**  
**30 SEPTEMBER 2016**

		<u>Group</u>	<u>Group</u>	<u>Charitable</u>	<u>Charitable</u>
		<u>2016</u>	<u>2015</u>	<u>Company</u>	<u>Company</u>
	Note	£	£	2016	2015
				£	£
<b>Fixed assets</b>					
Tangible fixed assets	17	22,165	12,460	17,674,872	15,428,872
Investments	18	70,623,222	62,778,261	64,322,701	63,394,140
<b>Total fixed assets</b>		<b>70,645,387</b>	<b>62,790,721</b>	<b>81,997,573</b>	<b>78,823,012</b>
<b>Current assets</b>					
Stock	19	4,565,649	4,669,380	-	-
Debtors	20	13,063,972	17,671,243	5,829,636	8,416,290
Cash at bank and in hand		9,520,179	7,137,174	8,054,147	1,752,806
		<b>27,149,800</b>	<b>29,477,797</b>	<b>13,883,783</b>	<b>10,169,096</b>
<b>CREDITORS: amounts falling due within one year</b>	21	<b>21,156,543</b>	<b>11,106,329</b>	<b>1,703,322</b>	<b>1,994,963</b>
<b>Net current assets</b>		<b>5,993,257</b>	<b>18,371,468</b>	<b>12,180,461</b>	<b>8,174,133</b>
<b>Total assets less current liabilities</b>		<b>76,638,644</b>	<b>81,162,189</b>	<b>94,178,034</b>	<b>86,997,145</b>
<b>CREDITORS: amounts falling due after more than one year</b>	22	<b>1,618,951</b>	<b>14,535,888</b>	-	-
<b>Provisions</b>	23	<b>5,770,861</b>	<b>4,856,007</b>	-	-
<b>Net assets</b>		<b>69,248,832</b>	<b>61,770,294</b>	<b>94,178,034</b>	<b>86,997,145</b>
<b>Funds of the Charity</b>					
Unrestricted funds		69,248,832	61,770,294	94,178,034	86,997,145
<b>Total charity funds</b>	25	<b>69,248,832</b>	<b>61,770,294</b>	<b>94,178,034</b>	<b>86,997,145</b>

These financial statements were approved by the board of trustees and authorised for issue on 12 February 2018, and are signed on behalf of the board by:

  
Mrs Sarah Rachel Klein  
Trustee

  
Mrs Zelda Sternlicht  
Trustee

The notes on pages 12 to 30 form part of these financial statements.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**GROUP STATEMENT OF CASH FLOWS**  
**YEAR ENDED 30 SEPTEMBER 2016**

	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	375,973	6,375,982
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,291	4,169
Net gains on investments	(14,875)	(1,902,914)
Dividends, interest and rents from investments	(1,068,725)	(1,011,405)
Other interest receivable and similar income	(7,924)	(1,599)
Taxation	915,763	641,966
<i>Changes in:</i>		
Stocks	103,731	5,540,508
Trade and other debtors	4,607,271	(11,957,064)
Trade and other creditors	(2,649,077)	1,843,502
Cash generated from operations	2,270,428	(466,855)
Interest received	7,924	1,599
Tax paid	(909)	—
Net cash from/(used in) operating activities	<u>2,277,443</u>	<u>(465,256)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interest and rents from investments	1,068,725	1,011,405
Purchase of tangible assets	(17,996)	—
Purchases of other investments	(977,396)	(2,583,962)
Proceeds from sale of other investments	249,875	8,928,181
Net cash from investing activities	<u>323,208</u>	<u>7,355,624</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	(217,646)	(214,624)
Net cash used in financing activities	<u>(217,646)</u>	<u>(214,624)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,383,005	6,675,744
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	7,137,174	461,430
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>9,520,179</u>	<u>7,137,174</u>

The notes on pages 12 to 30 form part of these financial statements.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2016**

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**1. GENERAL INFORMATION**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is New Burlington House, 1075 Finchley Road, NW11 0PU, London.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

**3. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements have also been prepared in accordance with the accounting principles appropriate to a going concern, as the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the group and available sources of finance.

The Charity meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Group Financial Statements**

These Financial Statements consolidate the results of the Charitable Company and its subsidiaries on a line-by-line basis. A separate statement of financial activities or income and expenditure account dealing with the results of the Company only has not been presented in accordance with Section 408 of the Companies Act 2006.

**Going concern**

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

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Disclosure exemptions**

**Transition to FRS 102**

The Charitable Company transition from previous UK GAAP to FRS 102 as at 1 October 2015. Details of how FRS 102 has affected the reported financial position and financial performance are given in note 30.

**Income**

All donations are recognised in the Statement of Financial Activities (SOFA) of the Charitable Company when the charity has unconditional entitlement to the resources. Donations represent voluntary amounts received during the year.

All other income is recognised on a receivable basis. This includes income from investments and deposits, rentals from property assets, and grants and donations received by the Charitable Company and Group.

**Investment Management Costs**

Investment management costs include costs relating to the investment properties on an accrual basis.

**Governance Costs**

Governance costs include costs of the preparation and audit of financial statements and cost of any legal advice to Trustees on governance or constitutional matters and is recognised on an accrual basis.

**Liability Recognition**

Creditors are recognised as soon as there is a present obligation committing the entity to pay out resources, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured or estimated reliably.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

**Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.



**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings                      -    25% Reducing Balance

No depreciation or amortisation is provided in respect of freehold investment property or leasehold investment property having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 2006, 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.

**Investments**

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

**Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

**SHULEM B. ASSOCIATION LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 30 SEPTEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

**Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**3. ACCOUNTING POLICIES** *(continued)*

**Financial instruments** *(continued)*

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**4. COMMERCIAL OPERATIONS**

	Unrestricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Total Funds 2015 £
Net sale proceeds from disposal of properties	3,804,254	3,804,254	13,787,356	13,787,356
Rent and charges receivable	6,106,686	6,106,686	5,753,297	5,753,297
	<u>9,910,940</u>	<u>9,910,940</u>	<u>19,540,653</u>	<u>19,540,653</u>

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

**5. INVESTMENT INCOME**

	Unrestricted Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Total Funds 2015
	£	£	£	£
Income from investment properties	1,019,034	1,019,034	994,506	994,506
Income from listed investments	49,691	49,691	16,899	16,899
Bank interest receivable	33	33	35	35
Other interest receivable	7,891	7,891	1,564	1,564
	<u>1,076,649</u>	<u>1,076,649</u>	<u>1,013,004</u>	<u>1,013,004</u>

**6. COMMERCIAL OPERATIONS**

	Unrestricted Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Total Funds 2015
	£	£	£	£
Property outgoings	2,227,632	2,227,632	2,005,432	2,005,432
Cost of property sold	159,165	159,165	5,811,220	5,811,220
Administration expenses	211,579	211,579	175,536	175,536
Operating trading company - depreciation	8,291	8,291	4,169	4,169
	<u>2,606,667</u>	<u>2,606,667</u>	<u>7,996,357</u>	<u>7,996,357</u>

**7. INVESTMENT MANAGEMENT COSTS**

	Unrestricted Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Total Funds 2015
	£	£	£	£
Investment management costs	<u>485,179</u>	<u>485,179</u>	<u>328,736</u>	<u>328,736</u>

**8. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Total Funds 2015
	£	£	£	£
Donations paid	5,929,900	5,929,900	6,401,800	6,401,800
Support costs	95,589	95,589	38,220	38,220
	<u>6,025,489</u>	<u>6,025,489</u>	<u>6,440,020</u>	<u>6,440,020</u>

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

**9. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Grant funding of activities £	Support costs £	Total funds 2016 £	Total fund 2015 £
Donations paid	5,929,900	–	5,929,900	6,401,800
Governance costs	–	95,589	95,589	38,220
	<u>5,929,900</u>	<u>95,589</u>	<u>6,025,489</u>	<u>6,440,020</u>

**10. ANALYSIS OF GRANTS**

	2016 £	2015 £
Grants for charitable purposes	5,929,900	6,401,800
Total grants	<u>5,929,900</u>	<u>6,401,800</u>

	2016 £	2015 £
<b>Analysis of Grants</b>		
Aldentower Limited	80,000	350,000
Ahavath Chased Charitable Trust	130,000	–
Ardenlink Limited	95,000	55,000
Asser Bishvil Limited	382,000	280,500
Chevrav Mo'oz Ladol	139,000	152,000
Keren Association Limited	480,000	447,000
Shaarei Rachamim Limited *	450,000	–
Samber Limited *	125,000	400,000
United Talmudical Associates	1,490,000	2,102,500
UTRY	200,000	180,000
V'yoel Moshe Charitable Trust	80,000	50,000
Wiseheights Limited *	284,000	–
Yetev Lev London Jerusalem	108,000	100,000
Grants below £80,000	1,886,900	2,284,800
	<u>5,929,900</u>	<u>6,401,800</u>

All grants were paid were for alleviation of poverty, education and furtherance of Jewish religion and general charitable purposes.

\*These charities are related by virtue of having a common trustee or trustees in common with this charity.

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**11. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Accountancy fee	15,000	15,000
Auditor's remuneration	33,120	13,800
General expenses	1,223	82
Legal and professional fees	46,246	9,338
	<u>95,589</u>	<u>38,220</u>

**12. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Unrestricted Funds 2016</b>	<b>Total Funds 2016</b>	<b>Unrestricted Funds 2015</b>	<b>Total Funds 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan interest	586,282	586,282	587,712	587,712
Finance costs	250	250	65,075	65,075
Other interest	—	—	438	438
Bank charges	40	40	40	40
Minority interest	6,821	6,821	20,245	20,245
	<u>593,393</u>	<u>593,393</u>	<u>673,510</u>	<u>673,510</u>

**13. TAXATION**

**Major components of tax expense**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	909	—
<b>Deferred tax:</b>		
Origination and reversal of timing differences	914,854	641,966
<b>Taxation</b>	<u>915,763</u>	<u>641,966</u>

The tax charge of £909 in the current year (2015: £nil) relates to tax due on profits of one of the charities subsidiaries.

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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**14. NET GAINS ON INVESTMENTS**

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Gains on disposal of investment property	<u>14,875</u>	<u>14,875</u>	<u>1,902,914</u>	<u>1,902,914</u>

**15. NET INCOME**

Net income is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	8,291	4,169
Fees payable for the audit of the financial statements	<u>33,120</u>	<u>13,800</u>

**16. TRUSTEE REMUNERATION AND EXPENSES**

The Charity has no staff other than its 3 Trustees all of whom give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2015: £nil)

The charity did not meet any expenses (2015: £nil) incurred by the trustees for services provided to the charity.

**17. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>Cost</b>	
At 1 October 2015	233,889
Additions	17,996
<b>At 30 September 2016</b>	<u>251,885</u>
<b>Depreciation</b>	
At 1 October 2015	221,429
Charge for the year	8,291
<b>At 30 September 2016</b>	<u>229,720</u>
<b>Carrying amount</b>	
<b>At 30 September 2016</b>	<u>22,165</u>
At 30 September 2015	<u>12,460</u>

**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

**18. INVESTMENTS**

<b>Group</b>	<b>Listed investments £</b>	<b>Investment properties £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2015	631,521	62,146,740	62,778,261
Additions	—	977,396	977,396
Disposals	—	(235,000)	(235,000)
Fair value movements	(2,039)	7,104,604	7,102,565
<b>At 30 September 2016</b>	<b>629,482</b>	<b>69,993,740</b>	<b>70,623,222</b>
<b>Impairment</b>			
At 1 October 2015 and 30 September 2016	—	—	—
<b>Carrying amount</b>			
At 30 September 2016	629,482	69,993,740	70,623,222
At 30 September 2015	631,521	62,146,740	62,778,261
<b>Historical Cost</b>	<b>84,681</b>	<b>22,471,659</b>	<b>22,556,340</b>

All investments shown above are held at fair value.

<b>Charitable Company</b>	<b>Subsidiary Undertaking investments £</b>	<b>Investment properties £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2015	63,394,140	15,428,872	78,823,012
Additions	—	6,175	6,175
Disposals	—	(40,000)	(40,000)
Fair value movements	928,561	2,279,825	3,208,386
<b>At 30 September 2016</b>	<b>64,322,701</b>	<b>17,674,872</b>	<b>81,997,573</b>
<b>Impairment</b>			
At 1 October 2015 and 30 September 2016	—	—	—
<b>Carrying amount</b>			
At 30 September 2016	64,322,701	17,674,872	81,997,573
At 30 September 2015	63,394,140	15,428,872	78,823,012
<b>Historical Cost</b>	<b>22,145</b>	<b>7,198,462</b>	<b>7,220,607</b>



**SHULEM B. ASSOCIATION LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**18. INVESTMENTS** *(Continued)*

**Investment properties**

The group's investment property comprises of residential and commercial portfolios. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30th September 2016 by the trustees who are considered to have the experience and expertise required to undertake such an exercise.

**Financial assets held at fair value**

The valuation is made on an open market value basis by reference to market evidence of transaction prices for similar properties in the same location taking account of their age and condition.

Listed investments have been valued at open market value based on stock exchange values.

The charity's direct active subsidiary undertakings, all of which are incorporated in England are as follows:

	<b>Description &amp; Proportion Of Share Capital Owned</b>		<b>Nature of Business</b>
Altena Estates Limited	Ordinary	95%	Property Investment
	Preference	95%	
Barryvale Limited	Ordinary	100%	Property Investment
Bitover Limited	Ordinary	100%	Parent Undertaking
	Preference	100%	
Davecourt Limited	Ordinary	100%	Parent Undertaking
	Preference	100%	
Hiltshore Limited	Ordinary	100%	Parent Undertaking
Lysville Limited	Ordinary	100%	Property Trading
Mirette Investments Limited	Ordinary	95%	Property Investment
	Preference	95%	
Tripknoll Limited	Ordinary	100%	Parent Undertaking
	Preference	100%	

Bitover Limited has the following active subsidiary undertakings:

Vereneat Limited	Ordinary	100%	Parent Undertaking
Parkchoice Limited	Ordinary	100%	Property Trading
Evenley Investments Limited	Ordinary	100%	Property Trading

Vereneat Limited has the following active subsidiary undertaking:

Kolup Investments Limited	Ordinary	100%	Property Trading
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Davecourt Limited has the following subsidiary undertaking:

Codnore Estates Limited	Ordinary	99%	Parent Undertaking
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**SHULEM B. ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2016**

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**18. INVESTMENTS** *(Continued)*

	Description & Proportion Of Share Capital Owned		Nature of Business
Codnore Estates Limited has the following active subsidiary undertakings:			
Arnville Limited	Ordinary	100%	Property Trading
Marilla Properties Limited	Ordinary	100%	Property Trading
Zeligrate Co. Limited	Ordinary	100%	Property Trading
Hiltshore Limited has the following active subsidiary undertakings:			
Crown View Estates Limited	Ordinary	100%	Property Trading & Investment
Fleetguild Limited	Ordinary	100%	Property Investment
Honeyvale Properties Limited	Ordinary	100%	Property Investment
Tripknoll Limited has the following subsidiary undertaking:			
Verelark Limited	Ordinary	100%	Parent Undertaking
Verelark Limited has the following active subsidiary undertakings:			
Belinda Properties Limited	Ordinary	100%	Property Trading
Hacienda Properties Limited	Ordinary	100%	Property Trading

None of the above subsidiaries have any audit qualification.

Information extracted from the financial statements of subsidiary undertakings whose financial position materially influenced the Group's Statement of Financial Position Sheet of the charity is disclosed below

	<u>Fixed Assets</u> £	<u>Current Assets</u> £	<u>Current Liabilities</u> £	<u>Long Term Liabilities</u> £	<u>Net Assets</u> £
Altena Estates Limited	1,204,046	2,785,159	(2,676,578)	-	1,312,627
Barryvale Limited	9,692,601	1,591,274	(4,786,209)	-	6,497,666
Crown View Estates Limited	11,330,000	13,829,021	(16,729,865)	-	10,429,156
Fleetguild Limited	18,416,785	2,172,273	(7,058,876)	(1,368,057)	12,162,125
Kolup Investments Limited	-	12,361,593	(11,416,577)	-	945,016
Lysville Limited	4,146	4,634,674	(4,038,993)	-	599,827
Mirette Investments Limited	8,005,095	5,019,373	(2,861,461)	-	10,163,007
Parkchoice Limited	-	5,382,491	(5,033,466)	-	349,025

Full disclosure for the remaining subsidiary undertakings can be found in the financial statements of those subsidiary undertakings, copies of which are available upon request.

**19. STOCKS**

	<b>2016</b> £	<b>2015</b> £
Properties at cost	<u>4,565,649</u>	<u>4,669,380</u>

**SHULEM B. ASSOCIATION LIMITED**  
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**20. DEBTORS**

	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,540,107	257,726	1,255,599	241,583
Amounts owed by group undertakings	-	800,946	-	800,946
Loan debtors	3,389,638	315,000	3,408,186	622,680
Other debtors	8,134,227	4,455,964	13,077,458	6,751,081
	<u>13,063,972</u>	<u>5,829,636</u>	<u>17,671,243</u>	<u>8,416,290</u>

The amount due from group undertaking of £800,946 is deferred until September 2018, its recovery being dependent on the debtor recovering debts of similar value from its own debtors.

Included in the charity's loan debtors are amounts totalling £315,000 (2015: £622,680) due from Truedene Co. Limited (2015: Wiseheights Limited – a charity company) a charity company connected to the trustees of this charity.

Included in group loan debtors are amounts totalling £2,345,256 (2015: £2,569,635) due from charities and companies with which the trustees of this company are connected.

**21. CREDITORS: amounts falling due within one year**

	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	12,919,512	-	213,400	-
Trade creditors	75,722	-	62,358	-
Social security and other taxes	2,353	-	890	-
Loan Creditors	6,505,044	1,632,446	9,142,510	1,911,126
Other creditors	1,653,912	70,876	1,687,171	83,837
	<u>21,156,543</u>	<u>1,703,322</u>	<u>11,106,329</u>	<u>1,994,963</u>

Loan creditors relates to amounts due to companies and charities with which the trustees of this company are connected. The loans are interest free and repayable on demand.

**22. CREDITORS: amounts falling due after more than one year**

	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,368,057	-	14,291,815	-
Other creditors – Minority interest	250,894	-	244,073	-
	<u>1,618,951</u>	<u>-</u>	<u>14,535,888</u>	<u>-</u>

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**22. CREDITORS: amounts falling due after more than one year** *(Continued)*

	<u>2016</u>	<u>2015</u>
	<u>Group</u>	<u>Group</u>
	£	£
<b>Analysis of loans</b>		
Wholly repayable within 5 years	-	12,702,012
Not wholly repayable within 5 years	1,585,557	1,803,203
Included in current liabilities	(217,500)	(213,400)
	<u>1,368,057</u>	<u>14,291,815</u>
 <b>Loan maturity analysis</b>		
In more than one year but not more than two years	217,500	12,915,412
In more than two years but not more than five years	652,500	640,200
In more than five years	498,057	736,203
	<u>1,368,057</u>	<u>14,291,815</u>

**23. DEFERRED TAX**

The deferred tax included in the statement of financial position is as follows:

	<u>2016</u>	<u>2015</u>
	£	£
Included in provisions (note 23)	<u>5,770,861</u>	<u>4,856,007</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<u>2016</u>	<u>2015</u>
	£	£
Fair value adjustment of investment property	<u>5,770,861</u>	<u>4,856,007</u>

**24. PROVISIONS**

	<b>Deferred tax</b> <b>(note 23)</b>
	£
At 1 October 2015	4,856,007
Additions	914,854
<b>At 30 September 2016</b>	<u><b>5,770,861</b></u>

Deferred tax is recognised in respect of timing differences arising from the revaluation of assets classified as investments in the non-charitable subsidiary undertakings. Although the provision has been recognised in accordance with FRS 102, it is expected that the majority of any gains realised will be gifted for charitable purposes and as such no tax would become payable.

Deferred tax has not been recognised in respect of revaluation of investments by the parent Charitable Company on the basis that all such gains will be applied for charitable purposes

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**25. UNRESTRICTED FUNDS**

**Group**

	£
Balance at 1 October 2015	61,770,294
Net income for the year	361,098
Gains on investments	14,875
Fair value movements	7,102,565
<b>Balance at 30 September 2016</b>	<b><u>69,248,832</u></b>

**Charitable Company**

	£
Balance at 1 October 2015	86,997,145
Net income for the year	3,972,503
Fair value movement	3,208,386
<b>Balance at 30 September 2016</b>	<b><u>94,178,034</u></b>

**26. FINANCIAL INSTRUMENTS**

	<b><u>Group</u></b>		<b><u>Charitable Company</u></b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
	£	£	£	£
<i><b>Financial assets measured at fair value through income and expenditure:</b></i>				
Listed investments (Note 18)	629,482	631,521	-	-
Unlisted investments (Note 18)	-	-	64,322,701	63,394,140
<i><b>Financial assets measured at amortised cost:</b></i>				
Debtors (Note 20)	13,063,972	17,671,243	5,829,636	8,416,290
<i><b>Financial liabilities measured at amortised cost:</b></i>				
Creditors (Notes 21 & 22)	22,775,494	25,642,217	1,703,322	1,994,963

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**27. ANALYSIS OF CHARITABLE FUNDS**

**Unrestricted funds**

	At 1 October 2015 £	Income £	Expenditure £	Gains and losses £	At 30 September 2016 £
General funds	28,018,793	10,987,589	(10,626,491)	14,875	28,394,776
Fair value reserve	33,751,501	–	–	7,102,565	40,854,066
	<u>61,770,294</u>	<u>10,987,589</u>	<u>(10,626,491)</u>	<u>7,117,440</u>	<u>69,248,832</u>

**28. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds 2016 £	Total Funds 2016 £
Tangible fixed assets	22,165	22,165
Investments	70,623,222	70,623,222
Current assets	27,149,800	27,148,800
Creditors less than 1 year	(21,156,543)	(21,156,543)
Creditors greater than 1 year	(1,618,951)	(1,618,951)
Provisions	(5,770,861)	(5,770,861)
<b>Net assets</b>	<u>69,248,832</u>	<u>69,248,832</u>

**29. RELATED PARTY TRANSACTIONS**

The charity received donations totalling £9,484,161 (2015: £4,940,00) from its subsidiary companies. No conditions were attached to any of these donations. This would have appeared on the charity's Statement of Financial Activities which is not included in these financial statements.

Additional related party information is given in Notes 10, 20 and 21. The disclosure has been given in total for similar transactions and type of related party. The amounts have been aggregated and separate disclosure is not necessary for an understanding of the effects of related party transactions on the financial statements of the charity.

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**30. TRANSITION TO FRS 102**

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 October 2014.

**Reconciliation of retained funds**

	<b>1 October 2014</b>			<b>30 September 2015</b>		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	60,685,977	–	60,685,977	62,790,721	–	62,790,721
Current assets	16,449,856	–	16,449,856	29,542,156	–	29,542,156
Creditors less than 1 year	(9,280,553)	–	(9,280,553)	(11,106,329)	–	(11,106,329)
Net current assets	7,169,303	–	7,169,303	18,435,827	–	18,435,827
Total assets less current liabilities	67,855,280	–	67,855,280	81,226,548	–	81,226,548
Creditors greater than 1 year	(14,732,786)	–	(14,732,786)	(14,535,888)	–	(14,535,888)
Provisions	–	(4,214,041)	(4,214,041)	–	(4,856,007)	(4,856,007)
Net assets	53,122,494	(4,214,041)	48,908,453	66,690,660	(4,856,007)	61,834,653
Funds of the charity	53,122,494	(4,214,041)	48,908,453	66,690,660	(4,856,007)	61,834,653

**Reconciliation of net income or expenditure for the year**

	<b>Year ended 30 September 2015</b>		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Income and endowments	20,553,657	–	20,553,657
Expenditure	(15,438,623)	(641,966)	(16,080,589)
Net gains on investments	1,902,914	–	1,902,914
Net income	7,017,948	(641,966)	6,375,982

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**30. TRANSITION TO FRS 102** *(continued)*

1. Fair value adjustments

On adoption of FRS 102, the carrying value of the group's investment properties, which had previously been accounted under historical cost convention and director's valuation were recognised and included in the revaluation reserve and have now been adjusted to fair value, based on current market value with the resultant surplus being recognised within the Income Statement and reflected in the profit and loss reserves in the Statement of Financial Position.

2. Deferred taxation.

Prior to the adoption of FRS 102, deferred taxation on the revaluation of investment properties was not provided on the basis that there was no intention to dispose of the properties. Under FRS 102 deferred taxation is provided in full on such revaluation gains.