

**ERINASTAR LIMITED (LIMITED BY
GUARANTEE)**

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 MARCH 2005

**COMPANY REGISTRATION NUMBER 1239183
CHARITY NUMBER 270957**



COHEN ARNOLD & CO.
Chartered Accountants & Registered Auditors
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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ERINASTAR LIMITED (LIMITED BY GUARANTEE)
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of trustees

Mr Dov Reichmann
Mr David Reichmann
Mr Richard Lewis

Company secretary

Mr David Reichmann

Registered office

New Burlington House
1075 Finchley Road
NW11 0PU

Auditors

Cohen Arnold & Co.
Chartered Accountants
& Registered Auditors
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

Bankers

Barclays Bank Plc
High Street
Edgware
Middlesex
HA8

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2005

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the Charity for the year ended 31 March 2005.

LEGAL AND ADMINISTRATIVE INFORMATION

Legal and Administrative Information of the Company is shown on Page 1 of the Financial Statements and forms part of this report.

OBJECTIVES, POLICIES AND ORGANISATION OF THE COMPANY

The Company is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law and in furtherance of the aforementioned objects. The Charity receives income mainly from its property investments and charitable receipts under Gift Aid which it utilises in the provision and distribution of grants and donations.

The Company's principle activity throughout the year was the provision and distribution of donations and grants to Charities, and no change is envisaged in the immediate future.

ORGANISATION STRUCTURE

The Charity is constituted as a Company Limited by guarantee, and is therefore governed by a memorandum and articles of association.

The day to day affairs of the Company is administered by the council of Management. None of the Trustees have any beneficial interest in the Company.

RESULTS

During the year the Company continued its philanthropic activities in support of religious, education and other charitable Institutions and, aggregate donations were paid in the sum of £203,630 (2004 - £52,610)

The financial results of the Company's activities for the year to 31 March 2005 are fully reflected in the attached Financial Statements together with the Notes thereon.

FIXED ASSETS INVESTMENTS

The movements in Fixed Assets Investments are fully reflected in Note 5 to the Financial Statements.

The Company's investment properties are included at trustees' valuation as at the Balance Sheet date. No depreciation is charged on the investment assets which is in accordance with the Statement of Recommended Practice (SORP 2000).

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

THE TRUSTEES

The trustees who served the Charity during the period were as follows:

Mr Dov Reichmann
Mr David Reichmann
Mr Richard Lewis

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

CLOSE COMPANY PROVISIONS

In the opinion of the trustees, the Charity is a close Charity within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

RESERVES POLICY

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

INVESTMENTS POWERS & POLICY

Under the memorandum and articles of association, the charity has the power to make any investment, which the trustees see fit. The trustees regularly review the charity's position and needs in respect of the investment policy.

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.

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

AUDITORS

A resolution to re-appoint Cohen Arnold & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
New Burlington House
1075 Finchley Road
NW11 0PU

Signed on behalf of the trustees



Mr Dov Reichmann
Trustee

Approved by the trustees on 26 Sept 05

ERINASTAR LIMITED (LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
ERINASTAR LIMITED (LIMITED BY GUARANTEE)
YEAR ENDED 31 MARCH 2005

We have audited the financial statements on pages 7 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The trustees' (who also act as Directors for the charitable activities of the company) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 3.

Our responsibility is 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 Annual Report is not consistent with the financial statements, if the Charity 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 Charity is not disclosed.

We are not required to consider whether the statement in the Trustees Annual Report concerning the major risks to which the Charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the Charity's risk management and control procedures.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We 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 made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity'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 to give reasonable assurance that the financial statements are free from material misstatement, 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.

ERINASTAR LIMITED (LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
ERINASTAR LIMITED (LIMITED BY GUARANTEE) (continued)

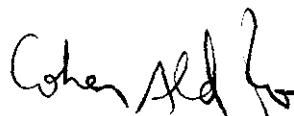
YEAR ENDED 31 MARCH 2005

OPINION

In our opinion the financial statements give a true and fair view of the Charity's state of affairs as at 31 March 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

New Burlington House
1075 Finchley Road
LONDON NW11 0PU

2.6 Sept 05



COHEN ARNOLD & CO.
Chartered Accountants
& Registered Auditors

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2005

	Note	Total Funds 2005 £	Total Funds 2004 £
INCOMING RESOURCES			
Investment income	2	1,392,480	1,325,310
Interest receivable		2,593	921
Other income		9,321	5,443
TOTAL INCOMING RESOURCES		1,404,394	1,331,674
RESOURCES EXPENDED			
Costs of generating funds:			
Investment Management costs		551,117	537,734
Interest and Similar Charges	3	175,779	195,454
Charitable expenditure:			
Costs in furtherance of charitable objects		203,630	52,610
Management and Administration	4	3,758	4,604
TOTAL RESOURCES EXPENDED		934,284	790,402
NET INCOMING RESOURCES FOR THE YEAR		470,110	541,272
Balances brought forward		1,018,437	477,165
Balances carried forward		1,488,547	1,018,437

All movements are in Unrestricted Funds

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the Charity are classed as continuing.

The notes on pages 9 to 13 form part of these financial statements.

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

BALANCE SHEET

31 MARCH 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Investments	5	4,000,000	4,000,000
CURRENT ASSETS			
Debtors	6	117,947	83,382
Cash at bank		448,543	318,112
		<u>566,490</u>	<u>401,494</u>
CREDITORS: Amounts falling due within one year	7	<u>(804,847)</u>	<u>(775,740)</u>
NET CURRENT LIABILITIES		(238,357)	(374,246)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,761,643</u>	<u>3,625,754</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(2,273,096)</u>	<u>(2,607,317)</u>
NET ASSETS		<u>1,488,547</u>	<u>1,018,437</u>
FUNDS			
Unrestricted	9	<u>1,488,547</u>	<u>1,018,437</u>
TOTAL FUNDS		<u>1,488,547</u>	<u>1,018,437</u>

These financial statements were approved by the Trustees on the 26 Sept 05 and are signed on their behalf by:


.....
MR DOV REICHMANN


.....
MR DAVID REICHMANN

The notes on pages 9 to 13 form part of these financial statements.

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the Charity is small.

Income

Donations represent voluntary amounts receivable during the year other income includes income from investments and deposits, and rentals received from property assets. Donations represent voluntary amounts received during the year.

Expenditure

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

Charitable donations

The charitable donations have been detailed in note 13 to the financial statements.

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.

Investment properties

Investment Properties are included at Trustees' valuation as at the Balance sheet date which is in accordance with Statement of Recommended Practice (SORP 2000) and SSAP 19. The unrealised gains and losses are shown in the Statements of Financial Activities.

Acquisitions and disposal of properties

Acquisitions and disposals of properties are considered to take place at the legal completion and are included in the financial statements accordingly.

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES *(continued)*

Taxation

The charity is not liable to direct taxation (income tax) on its income as it falls within the various exemptions liable to registered charities. The charity and some of its investment properties held by the charity are VAT registered. Hence the property related income and expenditure of VAT registered are stated net of VAT in the financial statements.

Format of financial statements

The financial statements are presented in accordance with the format prescribed by schedule 4 companies act 1985 as well as by statement of recommended practice - accounting by charities, with suitable adaptation thereof which the directors (Trustees) consider to be appropriate having regard to the nature of the company's activities

2. INVESTMENT INCOME

	Value 2005 £	Value 2004 £	Income 2005 £	Income 2004 £
UK investment property	<u>4,000,000</u>	<u>4,000,000</u>	<u>1,392,480</u>	<u>1,325,310</u>

3. INTEREST AND SIMILAR CHARGES

	Total Funds 2005 £	Total Funds 2004 £
Bank Interest	<u>175,779</u>	<u>195,454</u>

4. MANAGEMENT AND ADMINISTRATION

	Total Funds 2005 £	Total Funds 2004 £
Office costs	383	1,245
Audit fees	2,701	2,702
Legal and professional	125	-
Interest payable and similar charges	549	657
	<u>3,758</u>	<u>4,604</u>

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

5. INVESTMENTS

Movement in market value

	2005	2004
	£	£
Market value at 1 April 2004	<u>4,000,000</u>	<u>4,000,000</u>
Market value at 31 March 2005	<u>4,000,000</u>	<u>4,000,000</u>
Historical cost at 31 March 2005	<u>3,834,776</u>	<u>3,834,776</u>

Analysis of investments at 31 March 2005 between funds

	Total Funds	Total Funds
	2005	2004
	£	£
UK Investment		
UK Investment property	<u>4,000,000</u>	<u>4,000,000</u>
	<u>4,000,000</u>	<u>4,000,000</u>

The Company's investment Properties are stated at Trustees' valuation as at 31 March 2005.

The historical cost of the Company's Investment Properties at 31 March 2005 is £3,834,776 (2004: £3,834,776).

No Provision has been made for any latent liability to Corporation Tax on unrealised surpluses on revaluation of properties as it is anticipated that all realised surpluses will be applied for the benefit of this Company's charitable purposes and that no tax liability will arise.

6. DEBTORS

	2005	2004
	£	£
Trade debtors	116,397	81,832
Other debtors	<u>1,550</u>	<u>1,550</u>
	<u>117,947</u>	<u>83,382</u>

7. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	325,000	315,000
Taxation and social security	66,614	69,698
Other creditors	135,628	71,002
Other creditors	-	850
Accruals	<u>277,605</u>	<u>319,190</u>
	<u>804,847</u>	<u>775,740</u>

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

8. CREDITORS: Amounts falling due after more than one year

	2005 £	2004 £
Bank loans and overdrafts	<u>2,273,096</u>	<u>2,607,317</u>
Mortgage Advance	2005 £	2004 £
Term Loan repayable after five years:-		
Capital plus Interest - Terminating 2017 (6.28%)	2,598,096	2,922,317
Less: Current Instalments of Term Loan	<u>(325,000)</u>	<u>(315,000)</u>
	<u>2,273,096</u>	<u>2,607,317</u>
Amount Repayable		
Within 2 to 5 years	1,300,000	1,260,000
After 5 years	<u>973,096</u>	<u>1,347,317</u>
	<u>2,273,096</u>	<u>2,607,317</u>

Bank loans are secured by a first legal charge over the Company's long-leasehold properties included in the Balance Sheet in the amount of £4,000,000 and by a floating charge over the assets of the Company.

9. ANALYSIS OF NET ASSETS IN UNRESTRICTED FUNDS

	Other net assets £	Total £
Unrestricted funds	<u>1,488,547</u>	<u>1,488,547</u>

10. RELATED PARTY TRANSACTIONS

Mr David Reichmann, a Governor of the Company has given a personal guarantee limited to £500,000 as security against a Mortgage Advance which at 31st March 2005 amounted to £2,598,096.

A donation of £10,000 was made to Sparquote Limited, a Company of which Messrs Dov and David Reichmann are also Directors and Trustees.

11. CONTROLLING PARTY

The Company has no controlling Party.

12. GOING CONCERN

The Financial Statements have been prepared in accordance with the accounting principles appropriate to a going concern, this being dependent upon the continued provision of financial support by the Company's banker in respect of which the Governors are confident that continued support will be made available or alternatives facilities could be obtained.

ERINASTAR LIMITED (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

13. GRANTS PAYABLE

The following grant payments were made during the year ended 31 March 2005:

	2005 £
Telz Academy Trust	25,000
Forty Limited	25,000
Lolev Charitable Trust	30,000
Beth Hamesdrash Ponovez	24,700
Wlodowa Charity & Rehab Trust	20,500
The Beis Nadvorna Charitable Trust	15,000
Craven Walk Charities Trusts	15,000
Sparquote Limited	10,000
Birchos Yosef Trust	10,000
Kahal Chassidim Bobov	6,600
Beis S Schenirer of Golders Green	5,600
Kupas Ezra Shomrei Chessed	5,000
Beth Jacob Grammar School for Girls	4,200
Torath Chesed Talmudical College	3,800
Emuno Education Centre Ltd	1,500
Cometville Ltd	1,000
Amounts below £1,000	730
Total Grants Payable	<u>203,630</u>

14. PROPERTY REVENUE ACCOUNT

	2005 £	2004 £
Rents and Other Charges Receivable	1,401,801	1,330,753
Less: Investment Management Costs		
Rent Payable	286,272	286,272
Rates	1,490	1,963
Light and Heat	1,855	—
Insurance	1,748	2,638
Service Charge Expenditure	241,375	216,059
Repairs and renewals	14,097	6,631
Legal and Professional fees	4,280	24,171
	<u>(551,117)</u>	<u>(537,734)</u>
NET PROPERTY REVENUE	<u>850,684</u>	<u>793,019</u>