

Zichron Shmuel CIO
Unaudited Financial Statements
31 May 2017

GERALD KREDITOR & CO.

Chartered Accountants
Hallswelle House
1 Hallswelle Road
London
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Zichron Shmuel CIO

Financial Statements

Year ended 31 May 2017

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Zichron Shmuel CIO

Trustees' Annual Report

Year ended 31 May 2017

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 May 2017.

Reference and administrative details

Registered charity name Zichron Shmuel CIO

Charity registration number 1161593

Principal office 1117 Finchley Road
Temple Fortune
London
NW11 0QB
United Kingdom

The trustees

Mr. A Bendahan
Mr. J Benhamou
Mr. G Clark

Accountants

Gerald Kreditor & Co.
Chartered Accountants
Hallswelle House
1 Hallswelle Road
London
NW11 0DH

Zichron Shmuel CIO

Trustees' Annual Report *(continued)*

Year ended 31 May 2017

Structure, governance and management

Zichron Shmuel ("In memory of Shmuel") is an established synagogue servicing the Moroccan Jewish community of North West London.

Zichron Shmuel CIO is registered as a charity with the Charity Commission and was established as a charitable incorporated organisation on the 11th of May 2015. The trustees have considered the guidance published by the Charity Commission and believe that the charity in carrying out its objectives, fully complies with these requirements.

Each year the Trustees aim to review the objectives and activities of the charity to ensure that they continue to reflect these aims. In carrying out this review, the Trustees have considered the Charity Commission's general guidance on public benefit and in particular, its supplementary public guidance on the advancement of religion for the public benefit.

The appointment and recruitment of new Trustees is as laid out in the Governing Constitution. Specifically, every new trustee must be appointed by a resolution passed at a properly convened meeting of the charity trustees.

The charity's Governing Constitution authorises the Trustees to:

- 1) borrow money including by way of overdraft facilities and to charge the whole or part of its property as security for the repayment of the money borrowed or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with section 124 and 125 of the Charities Act 2011, if it wishes to mortgage land.
- 2) buy, take on lease or in exchange, hire or otherwise acquire, construct or alter any property, building or erection and maintain and equip them for use;
- 3) sell, lease or otherwise dispose of all or any part of the property belonging to the charity.
- 4) deposit or invest funds and arrange for the investments or other property of the charity to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustees Act 2000.

APPOINTMENT OF TRUSTEES

The charity is managed by trustees who are responsible for setting the strategic direction of the organisation and for establishing policy.

The charity is organised so that the Trustees meet regularly to manage its affairs.

There are no paid employees and all administration work is carried out on a voluntary basis by the Trustees.

RISK MANAGEMENT

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

Zichron Shmuel CIO

Trustees' Annual Report *(continued)*

Year ended 31 May 2017

Objectives and activities

The principal objectives of the charity throughout the period has been:

- 1) The advancement of the orthodox Jewish faith;
- 2) The relief of poverty, sickness and infirmity amongst members of the Jewish faith and such other purposes as are charitable according to English Law; 3) The advancement of Morroccan orthodox Jewry through weekly communal prayer services, classes and gatherings.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Public benefit

The governors have considered the guidance published by the Charity Commission and believe that the charity in carrying out its objectives, fully complies with these requirements. In particular the provision of funding for education in accordance with the principles of traditional Judaism and the support of associated communal charitable institutions such as synagogues and homes for the elderly and infirm automatically gives rise to a public benefit. Each year the governors review the objectives and activities of the charity to ensure that they continue to reflect these aims. In carrying out this review the governors have considered the Charity Commission's general guidance on on public benefit and in particular its supplementary public guidance on the advancement of religion for the public benefit.

Achievements and performance

Financial performance

During the period, the charity's funds have been applied in furtherance of its objectives and the day to day running of the charity.

In the year to 31 May 2017, incoming resources amounted to £13,111 (2016: £19,262) and resources expended amounted to £15,557 (2016: £1,310).

At 31 May 2017, the charity had a total unrestricted fund balance of £15,506. There have been no changes in the accounting policies of the charity during the period.

Non-financial performance

During the period to 31 May 2017, Zichron Shmuel CIO continued apply its funds in order to maintain weekly prayers services and establish new weekly classes for its congregants.

Zichron Shmuel CIO

Trustees' Annual Report *(continued)*

Year ended 31 May 2017

Financial review

The Trustees intentions are to use its funds to provide an exciting and spiritually nourishing Jewish life for everyone of all ages, from religious services to social action, from community activities to study and learning, from religion school to youth clubs and everything else besides.

The trustees aim to include as many people as they can, young and old alike, in their volunteering within and beyond the community.

RESERVES POLICY

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission and have concluded that the general reserved amounting to £15,506 are necessary to maintain the day to day running of the charity and to achieving its objectives.

Plans for future periods

The trustees intention is that the charity continues to operate in a similar manner in the future.

In particular:

1) Bi-weekly communal prayer services will continue; 2) Mo'os Chitim (money for wheat) and Kimcha De'pischa (flour of Passover) appeals will be launched before Passover to raise funds for the needy to provide provisions for them for Passover; 3) We aim to provide varied Shabbat and festival services, formal and informal alike, family services, tots' services and many social activities.

The trustees' annual report was approved on 14 February 2018 and signed on behalf of the board of trustees by:

Mr. A Bendahan
Trustee

Mr. J Benhamou
Trustee

Mr. G Clark
Trustee

Zichron Shmuel CIO

Independent Examiner's Report to the Trustees of Zichron Shmuel CIO

Year ended 31 May 2017

I report on the financial statements for the year ended 31 May 2017, which comprise the statement of financial activities, statement of financial position and the related notes.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act, and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

GERALD KREDITOR & CO.
Chartered Accountants

Hallswelle House
1 Hallswelle Road
London
NW11 0DH

Zichron Shmuel CIO
Statement of Financial Activities
31 May 2017

	Note	2017		2016
		Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	13,111	13,111	19,262
Total income		<u>13,111</u>	<u>13,111</u>	<u>19,262</u>
Expenditure				
Expenditure on charitable activities	5,6	15,557	15,557	1,310
Total expenditure		<u>15,557</u>	<u>15,557</u>	<u>1,310</u>
Net (expenditure)/income and net movement in funds		<u>(2,446)</u>	<u>(2,446)</u>	<u>17,952</u>
Reconciliation of funds				
Total funds brought forward		17,952	17,952	—
Total funds carried forward		<u>15,506</u>	<u>15,506</u>	<u>17,952</u>

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

The notes on pages 8 to 12 form part of these financial statements.

Zichron Shmuel CIO
Statement of Financial Position
31 May 2017

		Year to 31 May 17 £	£	Period from 11 May 15 to 31 May 16 £
Current assets				
Cash at bank and in hand		15,506		18,312
Creditors: amounts falling due within one year	9	—		360
Net current assets			<u>15,506</u>	<u>17,952</u>
Total assets less current liabilities			<u>15,506</u>	<u>17,952</u>
Net assets			<u>15,506</u>	<u>17,952</u>
Funds of the charity				
Unrestricted funds			<u>15,506</u>	<u>17,952</u>
Total charity funds	10		<u>15,506</u>	<u>17,952</u>

These financial statements were approved by the board of trustees and authorised for issue on 14 Feb 18, and are signed on behalf of the board by:

Mr. A Bendahan
Trustee

Mr. J Benhamou
Trustee

Mr. G Clark
Trustee

The notes on pages 8 to 12 form part of these financial statements.

Zichron Shmuel CIO

Notes to the Financial Statements

Year ended 31 May 2017

1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is 1117 Finchley Road, Temple Fortune, London, NW11 0QB, United Kingdom.

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

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 11 May 15. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

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.

Fund accounting

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

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Zichron Shmuel CIO

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

3. Accounting policies *(continued)*

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.

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.

Zichron Shmuel CIO

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

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. Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Donations				
Donations	<u>13,111</u>	<u>13,111</u>	<u>19,262</u>	<u>19,262</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Synagogue maintenance costs	14,557	14,557	–	–
Support costs	<u>1,000</u>	<u>1,000</u>	<u>1,310</u>	<u>1,310</u>
	<u>15,557</u>	<u>15,557</u>	<u>1,310</u>	<u>1,310</u>

Zichron Shmuel CIO

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

6. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2017	Total fund 2016
	£	£	£	£
Synagogue maintenance costs	14,557	–	14,557	–
Governance costs	–	1,000	1,000	1,310
	<u>14,557</u>	<u>1,000</u>	<u>15,557</u>	<u>1,310</u>

7. Independent examination fees

	Year to 31 May 17	Period from 11 May 15 to 31 May 16
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>500</u>	<u>360</u>

8. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Other creditors	<u>–</u>	<u>360</u>

10. Analysis of charitable funds

Unrestricted funds

	At 1 June 2016	Income	Expenditure	At 31 May 2017
	£	£	£	£
General funds	<u>17,952</u>	<u>13,111</u>	<u>(15,557)</u>	<u>15,506</u>

11. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2017
	£	£
Current assets	<u>15,506</u>	<u>15,506</u>

Zichron Shmuel CIO

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 11 May 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the period.