

MIFAL HACHESED VEHATZEDOKOH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

MIFAL HACHESED VEHATZEDOKOH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Y Sprung M Sprung N Spitzer
Charity number	1139320
Principal address	9 Davis Court Saw Mill Way London N16 6AG
Auditor	F M C B 3rd Floor Hathaway House Popes Drive Finchley London N3 1QF

MIFAL HACHESED VEHATZEDOKOH

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MIFAL HACHESED VEHATZEDOKOH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and financial statements for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's deed of trust dated 1 December 2010, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are to advance the orthodox Jewish faith, to advance orthodox Jewish religious education, to relieve poverty, sickness and infirmity amongst members of the Jewish faith and for such other purposes as are for the public benefit and recognised as charitable in accordance with the laws of England and Wales.

The charity achieves its objectives principally by collecting voluntary donations and applying those funds towards charitable causes considered by the trustees to meet the charity's constitutional objectives.

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

Achievements and performance

The charity has continued making grants in accordance with its objectives and activities. The trustees are satisfied with the activities of the charity and the amount paid in grants.

Fund raising

The charity puts potential beneficiaries in contact with possible donors and they decide whether to sponsor the individuals. Donors tend to be regular supporters of the charity. Donors also contribute to the charity to support the sponsorship of religious institutions. The charity has not received any complaints regarding its fund raising activities.

Financial review

Total incoming resources during the year amounted to £3,931,807 (2017: £4,203,829) which is attributable to donations received.

Total resources expended in the year amounted to £3,844,311 (2017: £4,228,331) which included grants of £3,834,580 (2017: £4,224,179).

Reserve policy

The trustees intend to continue to support applicable charitable causes from donations and reserves so long as the ongoing viability of the charity is not placed in jeopardy. They have established a reserve policy that aims to retain anticipated charitable funding for a period of six to eight weeks of average expenditure. Reserves at 31 December 2018 were £163,282 (2017: £75,786).

Risk

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The principal risk identified is a fall in donations which may prevent the charity from carrying on its activities. This risk is managed through the charity's reserve policy.

Plans for the future

The trustees aim to maintain and develop the activities of the charity by ensuring that it is adequately funded and that those funds are applied towards the objectives and activities of the charity.

MIFAL HACHESED VEHATZEDOKOH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

The charity is registered with the Charity Commission in England and Wales (registered number 1139320). The governing document of the charity is its trust deed dated 1 December 2010.

The trustees who served during the year and up to the date of signature of the financial statements were:

Y Sprung
M Sprung
N Spitzer

The charity is managed exclusively by its trustees and the total number of trustees cannot exceed five. The trustees shall hold two ordinary meetings each year and any other meetings shall take place at their discretion. Decisions are decided by majority vote. The trustees have the power to appoint new trustees.

The charity operates purely on a voluntary basis,

The trustees periodically evaluate possible training requirements to best suit the charity's objectives.

Statement of trustees' responsibilities

The trustees 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).

The law applicable to charities in England and Wales 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 and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustees' report was approved by the Board of Trustees.

Y Sprung

Trustee

Dated: 29 October 2019

MIFAL HACHESED VEHATZEDOKOH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MIFAL HACHESED VEHATZEDOKOH

Opinion

We have audited the financial statements of Mifal Hachessed Vehatzedokoh (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MIFAL HACHESED VEHATZEDOKOH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MIFAL HACHESED VEHATZEDOKOH

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

MIFAL HACHESED VEHATZEDOKOH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MIFAL HACHESED VEHATZEDOKOH

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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.

Suzanne Freeda BA FCA (Senior Statutory Auditor)
for and on behalf of F M C B

30 October 2019

Chartered Accountants
Statutory Auditor

3rd Floor Hathaway House
Popes Drive
Finchley
London
N3 1QF

F M C B is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

MIFAL HACHESED VEHATZEDOKOH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds 2018 £	Total 2017 £
	Notes		
<u>Income from:</u>			
Donations and legacies	2	3,931,807	4,203,829
<u>Expenditure on:</u>			
Raising funds	3	3,000	-
Charitable activities	4	3,841,311	4,228,331
Total resources expended		3,844,311	4,228,331
Net income/(expenditure) for the year/ Net movement in funds		87,496	(24,502)
Fund balances at 1 January 2018		75,786	100,288
Fund balances at 31 December 2018		163,282	75,786

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

MIFAL HACHESED VEHATZEDOKOH

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	10	30,000		-	
Cash at bank and in hand		142,927		82,431	
		<u>172,927</u>		<u>82,431</u>	
Creditors: amounts falling due within one year	11	(9,645)		(6,645)	
Net current assets			163,282		75,786
			<u>163,282</u>		<u>75,786</u>
Income funds					
Unrestricted funds			163,282		75,786
			<u>163,282</u>		<u>75,786</u>

The financial statements were approved by the Trustees on 29 October 2019

Y Sprung
Trustee

MIFAL HACHESED VEHATZEDOKOH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	13		60,496		(24,502)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			60,496		(24,502)
Cash and cash equivalents at beginning of year			82,431		106,933
Cash and cash equivalents at end of year			142,927		82,431

MIFAL HACHESED VEHATZEDOKOH

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

1 Accounting policies

Charity information

Mifal Hachessed VEHATZEDOKOH is registered as a charity with the Charity Commission in England and Wales. The principal office address is Flat 9, Davis Court, Saw Mill Way, London N16 6AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed dated 1 December 2010, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

All the charity's funds are unrestricted, it has no restricted or endowed funds.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it, the amounts can be measured reliably, and it is probable that income will be received.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Grants are recognised in the accounts once the application has been approved.

MIFAL HACHESED VEHATZEDOKOH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial instruments, which include debtors and bank balances, are measured at transaction price and subsequently carried at cost less impairment losses for bad and doubtful debts as they are receivable within one year.

Basic financial liabilities

Basic financial liabilities which include creditors are initially recognised at transaction price and are not amortised as they are payable within one year.

2 Donations and legacies

	Unrestricted funds	Total
	2018 £	2017 £
Donations and gifts	3,931,807	4,203,829

3 Raising funds

	Unrestricted funds	Total
	2018 £	2017 £
<u>Fundraising and publicity</u>		
Other fundraising costs	3,000	-
	3,000	-

MIFAL HACHESED VEHATZEDOKOH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Charitable activities

	2018 £	2017 £
Bank charges	731	1,152
Grant funding of activities (see note 5)	3,834,580	4,224,179
Share of governance costs (see note 6)	6,000	3,000
	<u>3,841,311</u>	<u>4,228,331</u>

5 Grants payable

	2018 £	2017 £
Grants to institutions (27 grants): Religious colleges and charities	200,715	483,860
Grants to individuals (1,093 grants)	3,633,865	3,740,319
	<u>3,834,580</u>	<u>4,224,179</u>

Grants payable are in accordance with the objectives and activities of the charity.

- Grants to institutions are to advance orthodox Jewish religious education.
- Grants to individuals are to members of the Jewish faith for the relief of poverty, sickness and infirmity.

6 Support costs

	Support costs £	Governance costs £	2018 £	2017 £
Audit fees	-	6,000	6,000	3,000
	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>3,000</u>
Analysed between Charitable activities	-	6,000	6,000	3,000
	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>3,000</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the two years ended 31 December 2018.

MIFAL HACHESED VEHATZEDOKOH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Employees

There were no employees during the two years ended 31 December 2018.

9 Financial instruments	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at cost	30,000	-
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	9,645	6,645
	<u> </u>	<u> </u>

10 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	30,000	-
	<u> </u>	<u> </u>

11 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	3,645	3,645
Accruals and deferred income	6,000	3,000
	<u> </u>	<u> </u>
	9,645	6,645
	<u> </u>	<u> </u>

12 Related party transactions

There were no disclosable related party transactions during the two years ended 31 December 2018.

13 Cash generated from operations	2018 £	2017 £
Surplus/(deficit) for the year	87,496	(24,502)
Movements in working capital:		
(Increase) in debtors	(30,000)	-
Increase in creditors	3,000	-
	<u> </u>	<u> </u>
Cash generated from/(absorbed by) operations	<u>60,496</u>	<u>(24,502)</u>