

REGISTERED CHARITY NUMBER: 1161222

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018
FOR
MERCAZ HATORAH NETZACH YISROEL**

Joseph Kahan Associates LLP
Chartered Accountants
923 Finchley Road
London
NW11 7PE

MERCAZ HATORAH NETZACH YISROEL
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FOR THE YEAR ENDED 31ST DECEMBER 2018

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MERCAZ HATORAH NETZACH YISROEL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2018

The trustees present their report with the financial statements of the charity for the year ended 31st December 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives are as follows:-

To advance the orthodox Jewish faith in such ways as the Charity Trustees think fit, including by awarding scholarships, maintenance allowances or grants to students to enable them to pursue further studies at an Institute of Advanced Jewish Studies.

Public benefit

The trustees have considered the Charity Commission's general guidance on public benefit in deciding what activities the charity should undertake.

As stated on the 'Objectives and Activities' section, the charity provides education and supports poverty and illness amongst members of the Jewish faith.

The trustees consider that the activities explained above, satisfy the public benefit requirement.

FINANCIAL REVIEW

The statement of financial activities show net incoming resources for the year of a revenue nature of £955,758 (2017 - £843,012) and net realised outgoing resources of £969,137 (2017 - £874,452) resulting in a deficit of £13,379 (2017 - deficit of £31,440). The total reserves at the year end are £212 (2017 - £13,591).

FUTURE PLANS

The need for our services is increasing and we plan to continue doing what we can to assist. However, the trustees realise that we must use the resources we have wisely and so we will continue to target those problems where we have expertise to make the most difference. We therefore intend to continue our approach of education and training with further projects to build on the previous ones.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Organisational structure

The trust is an unincorporated trust, constituted under a Trust Deed dated 1 September 2014 as amended by deed dated 2 April 2015. The trustees are appointed by the Board of Trustees, who would normally appoint new trustees to fill vacancies arising through resignation or death of an existing trustee. At the Trustees' meeting, the trustees agree the broad strategy and areas of activity for the trust, including consideration of risk management policies and performance.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1161222

Principal address

Flat 7 Shmuel House
87 Harmony Close
Temple Fortune
London
NW11 0BF

Trustees

D Markovic
M Strom
Z Wanderer

MERCAZ HATORAH NETZACH YISROEL

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent examiner

Akiva Kahan

FCA

Joseph Kahan Associates LLP

Chartered Accountants

923 Finchley Road

London

NW11 7PE

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 charity trustees to prepare financial statements for each 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 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, 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

Approved by order of the board of trustees on 30th October 2019 and signed on its behalf by:

M Strom - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MERCZAH HATORAH NETZACH YISROEL**

Independent examiner's report to the trustees of Merczah Hatorah Netzach Yisroel

I report to the charity trustees on my examination of the accounts of the Merczah Hatorah Netzach Yisroel (the Trust) for the year ended 31st December 2018.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Akiva Kahan
FCA
Joseph Kahan Associates LLP
Chartered Accountants
923 Finchley Road
London
NW11 7PE

Date:

MERCAZ HATORAH NETZACH YISROEL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	2018 Unrestricted fund £	2017 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	955,758	843,012
Total		955,758	843,012
EXPENDITURE ON			
Raising funds	3	58,543	23,066
Charitable activities	4		
Student Grants		899,916	847,536
Advertising		7,755	2,180
Administrative expenses		1,007	509
Accountancy		700	300
Study books and reference materials		1,216	861
Total		969,137	874,452
NET INCOME/(EXPENDITURE)		(13,379)	(31,440)
RECONCILIATION OF FUNDS			
Total funds brought forward		13,591	45,031
TOTAL FUNDS CARRIED FORWARD		212	13,591

The notes form part of these financial statements

MERCAZ HATORAH NETZACH YISROEL

STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2018

	Notes	2018 Unrestricted fund £	2017 Total funds £
CURRENT ASSETS			
Cash at bank		912	13,891
CREDITORS			
Amounts falling due within one year	9	(700)	(300)
NET CURRENT ASSETS		<u>212</u>	<u>13,591</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		212	13,591
NET ASSETS		<u>212</u>	<u>13,591</u>
FUNDS	10		
Unrestricted funds		<u>212</u>	<u>13,591</u>
TOTAL FUNDS		<u>212</u>	<u>13,591</u>

The financial statements were approved by the Board of Trustees on 30th October 2019 and were signed on its behalf by:

M Strom -Trustee

The notes form part of these financial statements

MERCAZ HATORAH NETZACH YISROEL

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(12,979)</u>	<u>(31,440)</u>
Net cash provided by (used in) operating activities		<u>(12,979)</u>	<u>(31,440)</u>
		_____	_____
Change in cash and cash equivalents in the reporting period		(12,979)	(31,440)
Cash and cash equivalents at the beginning of the reporting period		<u>13,891</u>	<u>45,331</u>
Cash and cash equivalents at the end of the reporting period		<u>912</u>	<u>13,891</u>

The notes form part of these financial statements

MERCAZ HATORAH NETZACH YISROEL

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(13,379)	(31,440)
Adjustments for:		
Increase in creditors	400	-
Net cash provided by (used in) operating activities	<u>(12,979)</u>	<u>(31,440)</u>

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	955,758	843,012
	<u>955,758</u>	<u>843,012</u>

3. RAISING FUNDS

Raising donations and legacies

	2018	2017
	£	£
Fund raising events	58,543	23,066
	<u>58,543</u>	<u>23,066</u>

MERCAZ HATORAH NETZACH YISROEL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

4. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 5)	Support costs (See note 6)	Totals
	£	£	£	£
Advertising	7,755	-	-	7,755
Administrative expenses	1,007	-	-	1,007
Study books and reference materials	1,216	-	-	1,216
Student Grants	-	899,916	-	899,916
Accountancy	-	-	700	700
	<u>9,978</u>	<u>899,916</u>	<u>700</u>	<u>910,594</u>

5. GRANTS PAYABLE

	2018	2017
	£	£
Student Grants	<u>899,916</u>	<u>847,536</u>

6. SUPPORT COSTS

	Governance costs £
Accountancy	<u>700</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2018 nor for the year ended 31st December 2017 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2018 nor for the year ended 31st December 2017 .

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	<u>843,012</u>
Total	<u>843,012</u>
EXPENDITURE ON	
Raising funds	23,066
Charitable activities	
Student Grants	847,536
Carried forward	847,536

MERCAZ HATORAH NETZACH YISROEL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
Charitable activities	
Brought forward	847,536
Advertising	2,180
Administrative expenses	509
Accountancy	300
Study books and reference materials	861
Total	<u>874,452</u>
NET INCOME/(EXPENDITURE)	(31,440)
RECONCILIATION OF FUNDS	
Total funds brought forward	45,031
TOTAL FUNDS CARRIED FORWARD	<u><u>13,591</u></u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other creditors	<u>700</u>	<u>300</u>

10. MOVEMENT IN FUNDS

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	13,591	(13,379)	212
TOTAL FUNDS	<u>13,591</u>	<u>(13,379)</u>	<u>212</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	955,758	(969,137)	(13,379)
TOTAL FUNDS	<u>955,758</u>	<u>(969,137)</u>	<u>(13,379)</u>

MERCAZ HATORAH NETZACH YISROEL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
Unrestricted Funds			
General fund	45,031	(31,440)	13,591
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>45,031</u>	<u>(31,440)</u>	<u>13,591</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	843,012	(874,452)	(31,440)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>843,012</u>	<u>(874,452)</u>	<u>(31,440)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.17 £	Net movement in funds £	At 31.12.18 £
Unrestricted funds			
General fund	45,031	(44,819)	212
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>45,031</u>	<u>(44,819)</u>	<u>212</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,798,770	(1,843,589)	(44,819)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>1,798,770</u>	<u>(1,843,589)</u>	<u>(44,819)</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2018.

MERCAZ HATORAH NETZACH YISROEL

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	955,758	843,012
Total incoming resources	955,758	843,012
EXPENDITURE		
Raising donations and legacies		
Fund raising events	58,543	23,066
Charitable activities		
Postage and stationery	1,007	509
Advertising	7,755	2,180
Study books and reference materials	1,216	861
Student grants	899,916	847,536
	909,894	851,086
Support costs		
Governance costs		
Accountancy and legal fees	700	300
Total resources expended	969,137	874,452
Net expenditure	(13,379)	(31,440)

This page does not form part of the statutory financial statements