

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
FOR
FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

Raffingers LLP, Statutory Auditor
Chartered Certified Accountants
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

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for the year ended 30 June 2023

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FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

REPORT OF THE TRUSTEES **for the year ended 30 June 2023**

The trustees present their report with the financial statements of the charity for the year ended 30 June 2023. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The primary objective of the charity is to support the charitable activities of the Mercaz Hatorah Belz Macnivka institutions in Israel. Other charitable activities include the relief of poverty, hardship and distress within the United Kingdom and abroad, the advancement of Jewish education within the United Kingdom and abroad, and the advancement of the Orthodox Jewish religion within the United Kingdom and abroad.

The activities of the charity are to receive charitable donations to be applied towards the charity's stated objectives.

In furtherance of these objectives the charity:

- Provides bursaries to full time and part time students of the wider Mercaz Hatorah Belz Macnivka network of institutions;
- Provides grants to qualifying institutions who are involved in the furtherance of the Jewish Faith and in advancing Jewish Education;
- Provides grants and bursaries to qualifying needy families and individuals.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and 'The Advancement of Religion for the Public Benefit' in particular, when reviewing the aim and objectives and in planning the charity's future activities. The aims of the charitable company for the public benefit are detailed in the 'Objectives and Activities' section of this report and the main activities undertaken in order to carry out the charitable company's aims for the public benefit are outlined under 'Achievements and Performance' below.

Grantmaking

The charity principally supports the institutions of Belz Macnivka in the United Kingdom, Israel and around the world. The trustees are in regular contact with senior members of the institutions around the world who report on the activities of the institutions and on funding requirements.

Donations received are generally designated for specific causes within the Belz Macnivka network of institutions, however the trustees consider applications from the general public and seek to make donations which meet the charity's objectives and satisfy the principals set out within the Trust Deed. All applications are carefully considered and assistance provided according to circumstances and funds then available.

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

REPORT OF THE TRUSTEES **for the year ended 30 June 2023**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the charity received charitable donations in excess of £6.7m, all of which have been applied for charitable purposes. Funds continue to be accumulated in the short term to fund the construction and development of premises for use as a synagogue and community centre in Israel by the Belz Macnivka movement.

The charity is currently assisting with funding the purchase and construction of a new headquarters in Israel. Currently the costs of acquiring the land and developing the site have exceeded £32m. The total cost for this project is anticipated to be £40m. The expansion is necessary due to the convergence of followers from all over the world participating in the Jewish Holidays. Upwards of 1,000 followers spend the Jewish Festivals with the Rebbe. The trustees are pleased to report that as a result of the generosity of its supporters the lower two floors of the headquarters have been brought into use and that work is progressing steadily on the upper floors.

The Rabbinical leadership of the Belz institutions in Israel support and maintain a large network of educational, religious and communal facilities. Discretionary grants are also provided to needy families who face financial hardship. In addition, the Rebbe has an open door policy and he sees hundreds of people weekly who come to seek his counsel and his blessing. He holds several weekly gatherings, mainly on Saturdays which are attended by large crowds who draw inspiration from his teachings. In order to fund the activities of the institutions, regular collections are made from supporters worldwide.

The trustees are pleased to report that in the year under review, grants in excess of £7.7m were distributed to institutions and individuals in accordance with its grant making policy.

FINANCIAL REVIEW

Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge the funding gaps between spending on activities and receiving resources through voluntary donations. The trustees consider that the ideal level of reserves as at 30 June 2023 would be about one to two month's expenditure. However, the charity is operated as a grant giving charity, and the trustees' policy is to seek to distribute the bulk of the income arising in each financial year as it becomes available.

Restricted reserves at the year end were £208,471 (2022: £588,297).

Whilst the charity does not have any financial commitments, the trustees are actively pursuing sources of funding in order to ensure that there are sufficient reserves to provide financial stability and flexibility.

Financial results

The financial results for the year to 30 June 2023 are shown in the attached financial statements.

Total income for the year decreased from £8,895,705 to £7,492,213. Total expenditure decreased from £8,541,305 to £7,872,810 in comparison with the previous period. There was a net decrease in funds of £379,826 with total funds carried forward of £208,471 (2022: £588,297).

FUTURE PLANS

Friends of Mercaz Hatorah Belz Macnivka will continue to support the charitable institutions within the wider network of the Belz Macnivka movement as well as other charitable causes which are in line with its Objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

REPORT OF THE TRUSTEES **for the year ended 30 June 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees may be appointed by the existing trustees at any time, either to fill a casual vacancy or as an addition to the existing trustees. Any trustees so appointed will hold office only until the next Annual General Meeting and will then be eligible for re-election.

No trustee had any beneficial interest in any contract with the charitable entity during the year.

Potential trustees are invited to informally attend trustee meetings prior to appointment and a comprehensive induction programme is available. Additionally individual trustees may undertake external training in a particular area of their role on the Governing Body.

Organisational structure

The board of trustees administers the charity. The board meets quarterly.

Induction and training of new trustees

The charitable entity strives to ensure equal opportunities and diversity in the employment of staff and trustee appointments. Selection criteria and procedures are regularly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Fundraising

The charity has a good reputation within the local community and has a large pool of regular donors who wish to have a part in the charitable activities of the charity. Existing donors often recommend and encourage other philanthropists to pledge their support to the success of the charity.

The charity is committed to the principals set out by the Fundraising Regulator in its Code of Fundraising Practice. When donors are approached, this is done with sensitivity and respect and with regard to their circumstances.

The trustees are pleased to report that no complaints were received in the past twelve months in relation to its fundraising activities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1126075

Principal address

83-95 Bethune Road
London
N16 5ED

Trustees

Mrs G Krautwirt
E Y Brander
M Lieber

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

REPORT OF THE TRUSTEES
for the year ended 30 June 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Raffingers LLP, Statutory Auditor
Chartered Certified Accountants
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- 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 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 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.

Approved by order of the board of trustees on 18 April 2024 and signed on its behalf by:

Mrs G Krautwirt - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

Opinion

We have audited the financial statements of Friends of Mercaz Hatorah Belz Macnivka (the 'charity') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 30 June 2023 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 Auditors' 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and from our commercial knowledge and experience of the sector Friends of Mercaz Hatorah Belz Macnivka belongs to;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019), Trustees Act, Bribery Act and data protection;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations, including the ones that ensure that the grants are used for intended purposes.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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.

Raffingers LLP, Statutory Auditor
Chartered Certified Accountants
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

18 April 2024

Raffingers LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 June 2023

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	7,492,213	7,492,213	8,895,705
		<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE ON					
Raising funds	3	-	145,229	145,229	48,000
Charitable activities	4				
Provision of education and relief of poverty		-	7,726,810	7,726,810	8,493,305
		<hr/>	<hr/>	<hr/>	<hr/>
Total		-	7,872,039	7,872,039	8,541,305
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)		-	(379,826)	(379,826)	354,400
RECONCILIATION OF FUNDS					
Total funds brought forward		-	588,297	588,297	233,897
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		-	208,471	208,471	588,297
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

BALANCE SHEET

30 June 2023

	Notes	Unrestricted funds £	Restricted fund £	2023 Total funds £	2022 Total funds £
CURRENT ASSETS					
Cash at bank		-	219,471	219,471	597,297
CREDITORS					
Amounts falling due within one year	9	-	(11,000)	(11,000)	(9,000)
NET CURRENT ASSETS		-	208,471	208,471	588,297
TOTAL ASSETS LESS CURRENT LIABILITIES		-	208,471	208,471	588,297
NET ASSETS		-	208,471	208,471	588,297
FUNDS	10				
Restricted funds				208,471	588,297
TOTAL FUNDS				208,471	588,297

The financial statements were approved by the Board of Trustees and authorised for issue on 18 April 2024 and were signed on its behalf by:

G Krautwirt - Trustee

The notes form part of these financial statements

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

CASH FLOW STATEMENT
for the year ended 30 June 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(377,826)</u>	<u>355,000</u>
Net cash (used in)/provided by operating activities		<u>(377,826)</u>	<u>355,000</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(377,826)	355,000
Cash and cash equivalents at the beginning of the reporting period		<u>597,297</u>	<u>242,297</u>
Cash and cash equivalents at the end of the reporting period		<u><u>219,471</u></u>	<u><u>597,297</u></u>

The notes form part of these financial statements

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE CASH FLOW STATEMENT
for the year ended 30 June 2023

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(379,826)	354,400
Adjustments for:		
Increase in creditors	2,000	600
Net cash (used in)/provided by operations	<u>(377,826)</u>	<u>355,000</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.22 £	Cash flow £	At 30.6.23 £
Net cash			
Cash at bank	597,297	(377,826)	219,471
	<u>597,297</u>	<u>(377,826)</u>	<u>219,471</u>
Total	<u>597,297</u>	<u>(377,826)</u>	<u>219,471</u>

The notes form part of these financial statements

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30 June 2023**

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 2019)', 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.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year-end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance for a future fundraising event or for a grant received relating to the following year are deferred until the criteria for income recognition are met.

Going concern

The trustees, having made appropriate enquiries, consider that adequate resources exist for the charity to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt going concern basis in preparing the financial statements as at and for the period ended 30 June 2023. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet the liabilities as they fall due.

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.

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

1. ACCOUNTING POLICIES - continued

Expenditure

Grants payable are included in the period when any relevant conditions are met by the receiving entity. Payment of later instalments of a grant usually requires satisfactory progress reports from the project.

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.

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.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Charitable activities comprise of grants payable in furtherance of the charitable objectives of the charity. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for.

Governance costs

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

Overhead and support costs relating to charitable activities have been apportioned based on usage.

Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds

Restricted funds are the accumulation of all donations given to the charity and grants distributed. These are subject to restrictions of the donor. Under normal circumstances these restrictions will be honoured if they fall within the objects of the charity.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

1. ACCOUNTING POLICIES - continued

Creditors and provision

Creditors and provision are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provision are recognised at the moment the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payments where such discounting is material.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to be present value of the future cash receipt where such discounting is material.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	7,492,213	8,895,705

3. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Fundraising costs	145,229	48,000

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5) £	Support costs (see note 6) £	Totals £
Provision of education and relief of poverty	7,709,890	16,920	7,726,810

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

5. GRANTS PAYABLE

	2023	2022
	£	£
Provision of education and relief of poverty	<u>7,709,890</u>	<u>8,480,511</u>

Total grants paid to institutions during the year were as follows:

	2023
	£
Bnos Melochim	800,000
Hachnosas Orchim Tishrei Machnovke	51,000
Heichalei Doraysa	1,395,945
Heichalei Hakodesh	179,195
Kupas Hakohol Machnovke Belz	136,420
Lishmor Chukotav	52,000
Maamodos Rebbe	51,650
Mifal Hachessed Vehatzdokoh	96,750
Mifal Mechudodin Vetalmudo Beyodo	121,254
Orchos Chasidim	94,059
Sefer Hatzolah Publication	53,500
Torim Karno Amuta	108,731
Grants less than £50,000	3,990,851
Total	<u><u>7,131,355</u></u>

Total grants paid to individuals during the year were as follows:

Provision of education and the relief of poverty	<u><u>578,535</u></u>
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No single grant to an individual was higher than £15,000.

Total grants paid to institutions during the prior year were as follows:

	2022
	£
Beis Aharon TT Activity Centre	67,750
Agudos Yeshivas Belz Machnovke	54,250
Beis Hamedrash Kedushas Aharon	56,500
Beis Havaad Jerusalem	51,046
Belz Machnivka	91,822
Bezel Hachochma	135,600
Building Fund Beitar Mikva	58,000
Building Fund Beth Shemesh	54,250
Chasdei Yitzchok Keren Ezra Lemishpachos	50,300
Huos	79,265
Ezer Leyoldos Beis Brocho Dechasidei Belz Machnovke	50,600
Heichalei Hakodesh	521,314
Heichel Ahron	66,778
Hogei Torah	121,700
Kimche Depische	50,000
Kollel Beis Yosef Meir	53,181
Kollel in Yeshiva	61,912
Lishmor Chukotav	139,581
Maamodos	66,000
Mechudodin	99,565

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

5. GRANTS PAYABLE - continued

Mosdos Beth Shemesh	59,800
Mosdos Jerusalem	60,681
North London Welfare and Educational Foundation	57,000
Orchot Chasidim	59,003
Rechov Bruchim Synagogue	55,350
Reshet Hakollelim	60,200
Talmud Torah Bene Aharon	143,995
Talmud Torah Heichal Aharon Bene Berak	53,850
Yeshiva Gedola Bene Berak	65,400
Yeshiva Ketana Bene Berak	57,700
Yeshiva Ketane Elad	59,901
Grants less than £50,000	4,376,750
Grants to individuals	1,441,467
Total	8,480,511

All grants were made to institutions and for activities whose objects are in line with the objects of the charity.

6. SUPPORT COSTS

	Finance	Governance	Totals
	£	costs	£
Provision of education and relief of poverty	1,020	15,900	16,920

7. AUDITORS' REMUNERATION

Auditors' remuneration for the year ended 30 June 2023 was £11,000.

Fees of £2,000 were paid to the auditors for non audit services.

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2023 nor for the year ended 30 June 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2023 nor for the year ended 30 June 2022.

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other creditors	11,000	9,000
	<u>11,000</u>	<u>9,000</u>

10. MOVEMENT IN FUNDS

	At 1.7.22	Net movement in funds	At
	£	£	30.6.23
			£
Restricted funds			
Restricted	588,297	(379,826)	208,471
	<u>588,297</u>	<u>(379,826)</u>	<u>208,471</u>
TOTAL FUNDS	<u>588,297</u>	<u>(379,826)</u>	<u>208,471</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Restricted funds			
Restricted	7,492,213	(7,872,039)	(379,826)
	<u>7,492,213</u>	<u>(7,872,039)</u>	<u>(379,826)</u>
TOTAL FUNDS	<u>7,492,213</u>	<u>(7,872,039)</u>	<u>(379,826)</u>

Comparatives for movement in funds

	At 1.7.21	Net movement in funds	At
	£	£	30.6.22
			£
Restricted funds			
Restricted	233,897	354,400	588,297
	<u>233,897</u>	<u>354,400</u>	<u>588,297</u>
TOTAL FUNDS	<u>233,897</u>	<u>354,400</u>	<u>588,297</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Restricted funds			
Restricted	8,895,705	(8,541,305)	354,400
	<u>8,895,705</u>	<u>(8,541,305)</u>	<u>354,400</u>
TOTAL FUNDS	<u>8,895,705</u>	<u>(8,541,305)</u>	<u>354,400</u>

FRIENDS OF MERCAZ HATORAH BELZ MACNIVKA

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2023

10. MOVEMENT IN FUNDS - continued

Restricted funds

Restricted funds comprises amounts received during the year from donors in response to fundraising campaigns run by branches under the umbrella of the Belz Macnivka institutions in Israel. All the donations were applied in accordance with the donors wishes. All the donations were applied to causes which were in accordance with the objects of the charity, as specified in the Trustees' Report and primarily to support the charitable activities of the Mercaz Hatorah Belz Macnivka Institutions in Israel. Due to the large number of individual funds it is not practical to report on each fund activity. The balance of restricted funds at the year end were distributed shortly after the year end.

11. CONTINGENT LIABILITIES

There were no contingent liabilities at either the beginning or end of the financial year.

12. CAPITAL COMMITMENTS

At 30 June 2023 and 30 June 2022 the charity had no capital commitments which had been contracted for but not provided in the financial statements.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2023.

14. AUDITOR LIABILITY LIMITATION AGREEMENT

The charity has entered into a liability limitation agreement with Raffingers, the statutory auditor, on 2 June 2023, in respect of the statutory audit for the year ended 30 June 2023. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements.