

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021
FOR
MGS CHARITABLE TRUST**

Melinek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

MGS CHARITABLE TRUST
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	Page
Report of the Trustees	1 to 2
Report of the Independent Auditors	3 to 5
Statement of Financial Activities	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10 to 13

MGS CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report with the financial statements of the charity for the year ended 31 August 2021. 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

The Charity's objectives are the advancement of Education and Religion of the Jewish Faith in accordance with Orthodox Practice, and in particular to maintain and provide support for Menorah Grammar School for Boys.

The main activities for the period were to obtain donations from individuals and institutions and utilise these funds to enable the Charity to pursue its objectives.

The Trustees confirm their compliance with the duty to have due regard to the public benefit guidance published by the Charity Commission when reviewing the Charity Commission when reviewing the charity's aims and objectives.

ACHIEVEMENT AND PERFORMANCE

The Charity is satisfied with its overall performance during the year and has continued to meet its objectives with regard to the level of donations made during the year to Menorah Grammar School and its operating company RABG Memorial Limited for the furtherance of religious and educational purposes.

During the year donations totalling £1,876,260 (2020: £971,000) were paid to Menorah Grammar School.

The financial results of the Charity's activities for the year ended 31 August 2021 are fully reflected in the attached Financial Statements together with the notes thereon.

FINANCIAL REVIEW

Reserves policy

It is the policy of the Charity to maintain unrestricted funds, which are the free reserves of the Charity at a level which the Trustees think appropriate, after considering the future commitments of the Charity for the next year.

As at 31 August 2021 the charity has total funds of £162,181 (2020: £334,240), all of which are free reserves.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

MGS Charitable Trust is constituted and governed by its Trust Deed dated 13 February 2009 and is an unincorporated Charity registered with the charity commission (Registration No. 1134732).

The day to day affairs of the Charity are administered by the Board of Trustees. None of the Trustees have any beneficial interest in the Charity.

It is not currently the intention of the Trustees of the Charity to appoint new Trustees. Should the situation change in the future, the Trustees will apply suitable recruitment and training procedures.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1134732

Principal address

2 Cranbourne Gardens
London
NW11 0HP

Trustees

Mr Jonathan Hager
Mr Daniel Jacob Goldberg
Mr Raphael Klopman

MGS CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Melinek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
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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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 27 May 2022 and signed on its behalf by:

Mr Daniel Jacob Goldberg - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MGS CHARITABLE TRUST

Opinion

We have audited the financial statements of MGS Charitable Trust (the 'charity') for the year ended 31 August 2021 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 MGS CHARITABLE TRUST

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.

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:

Irregularities, including fraud are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the Charity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of trustees minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
MGS CHARITABLE TRUST**

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.

Melinek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
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N3 1DH

27 May 2022

MGS CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

		2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	1,743,483	1,299,572
Investment income	3	<u>5</u>	<u>41</u>
Total		1,743,488	1,299,613
 EXPENDITURE ON			
Raising funds	4	33,016	54,292
Charitable activities	5		
Charitable activities		6,271	6,261
Grants to Menorah Grammar School		1,876,260	971,000
Total		1,915,547	1,031,553
 NET INCOME/(EXPENDITURE)		(172,059)	268,060
 RECONCILIATION OF FUNDS			
Total funds brought forward		334,240	66,180
 TOTAL FUNDS CARRIED FORWARD		<u>162,181</u>	<u>334,240</u>

The notes form part of these financial statements

MGS CHARITABLE TRUST

**BALANCE SHEET
31 AUGUST 2021**

		2021 Unrestricted fund £	2020 Total funds £
CURRENT ASSETS	Notes		
Debtors	11	-	13,588
Cash at bank		<u>167,581</u>	<u>326,052</u>
		167,581	339,640
CREDITORS			
Amounts falling due within one year	12	<u>(5,400)</u>	<u>(5,400)</u>
NET CURRENT ASSETS		<u>162,181</u>	<u>334,240</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>162,181</u>	<u>334,240</u>
NET ASSETS		<u>162,181</u>	<u>334,240</u>
FUNDS	13		
Unrestricted funds		<u>162,181</u>	<u>334,240</u>
TOTAL FUNDS		<u>162,181</u>	<u>334,240</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27 May 2022 and were signed on its behalf by:

Mr Daniel Jacob Goldberg - Trustee

MGS CHARITABLE TRUST

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(158,476)</u>	<u>281,793</u>
Net cash (used in)/provided by operating activities		<u>(158,476)</u>	<u>281,793</u>
Cash flows from investing activities			
Interest received		<u>5</u>	<u>41</u>
Net cash provided by investing activities		<u>5</u>	<u>41</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(158,471)	281,834
Cash and cash equivalents at the beginning of the reporting period		<u>326,052</u>	<u>44,218</u>
Cash and cash equivalents at the end of the reporting period		<u>167,581</u>	<u>326,052</u>

The notes form part of these financial statements

MGS CHARITABLE TRUST
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(172,059)	268,060
Adjustments for:		
Interest received	(5)	(41)
Decrease in debtors	13,588	14,962
Decrease in creditors	<u>-</u>	<u>(1,188)</u>
Net cash (used in)/provided by operations	<u>(158,476)</u>	<u>281,793</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank	<u>326,052</u>	<u>(158,471)</u>	<u>167,581</u>
	<u>326,052</u>	<u>(158,471)</u>	<u>167,581</u>
Total	<u>326,052</u>	<u>(158,471)</u>	<u>167,581</u>

MGS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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.

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

	2021	2020
	£	£
Donations	<u>1,743,483</u>	<u>1,299,572</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>5</u>	<u>41</u>

MGS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

4. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Premises expenses	32,518	33,843
Fundraising costs	498	20,449
	<u>33,016</u>	<u>54,292</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Charitable activities	-	6,271	6,271
Grants to Menorah Grammar School	<u>1,876,260</u>	-	<u>1,876,260</u>
	<u>1,876,260</u>	<u>6,271</u>	<u>1,882,531</u>

6. GRANTS PAYABLE

	2021	2020
	£	£
Grants to Menorah Grammar School	<u>1,876,260</u>	<u>971,000</u>

7. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Charitable activities	<u>871</u>	<u>5,400</u>	<u>6,271</u>

8. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>3,600</u>	<u>3,600</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

MGS CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

10. STAFF COSTS

The average monthly number of employees during the year is Nil (2020:Nil).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Prepayments and accrued income	<u>-</u>	<u>13,588</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	<u>5,400</u>	<u>5,400</u>

13. MOVEMENT IN FUNDS

	At 1.9.20	Net movement in funds	At 31.8.21
	£	£	£
Unrestricted funds			
General fund	<u>334,240</u>	<u>(172,059)</u>	<u>162,181</u>
TOTAL FUNDS	<u>334,240</u>	<u>(172,059)</u>	<u>162,181</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	<u>1,743,488</u>	<u>(1,915,547)</u>	<u>(172,059)</u>
TOTAL FUNDS	<u>1,743,488</u>	<u>(1,915,547)</u>	<u>(172,059)</u>

Comparatives for movement in funds

	At 1.9.19	Net movement in funds	At 31.8.20
	£	£	£
Unrestricted funds			
General fund	<u>66,180</u>	<u>268,060</u>	<u>334,240</u>
TOTAL FUNDS	<u>66,180</u>	<u>268,060</u>	<u>334,240</u>

MGS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,299,613	(1,031,553)	268,060
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,299,613</u>	<u>(1,031,553)</u>	<u>268,060</u>

14. RELATED PARTY DISCLOSURES

Donations and Grants Received includes £276,085 received from charitable organisations that have some trustees in common with MGS Charitable Trust.