

Mercaz Chasidei Wiznitz Trust
Unaudited Financial Statements
31 July 2020

A J BRACEINER FCA

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Mercaz Chasidei Wiznitz Trust

Financial Statements

Year ended 31 July 2020

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Mercaz Chasidei Wiznitz Trust

Trustees' Annual Report

Year ended 31 July 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 July 2020.

Reference and administrative details

Registered charity name	Mercaz Chasidei Wiznitz Trust
Charity registration number	1143853
Principal office	137 Kyverdale Road London N16 6PS

The trustees

Mr I Taub
Mr J Fligman
Mr M Kahan

Independent examiner	Abraham J Braceiner FCA Park House Russell Gardens London NW11 9NJ
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Structure, governance and management

Structure

The charity is constituted under a Trust Deed dated 12 July 2011.

Governance and Management

Recruitment and appointment of new trustees would be in accordance with the terms of the Trust Deed and with the consent of the existing trustees.

Objectives and activities

Charitable objects

1. The advancement of the Orthodox Jewish faith.
2. The advancement of Orthodox Jewish religious education.
3. The relief of poverty, sickness and infirmity amongst the Jewish Faith in any part of the world.

Review of activities

The charity's principal activity continued to be that of supporting institutions advancing the objects of the charity.

Public benefit

The trustees have considered the Charity Commission's guidelines on public benefit and consider that the charity conforms with them.

Mercaz Chasidei Wiznitz Trust

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

Achievements and performance

The charity was able to maintain a satisfactory level of grants made during the year.

Financial review

Reserve policy

It is the policy of the charity to distribute all funds received within a short period following receipt.

The trustees' annual report was approved on 12 May 2021 and signed on behalf of the board of trustees by:

Mr I Taub
Trustee

Mercaz Chasidei Wiznitz Trust

Independent Examiner's Report to the Trustees of Mercaz Chasidei Wiznitz Trust

Year ended 31 July 2020

I report to the trustees on my examination of the financial statements of Mercaz Chasidei Wiznitz Trust ('the charity') for the year ended 31 July 2020.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.

Abraham J Braceiner FCA
Independent Examiner

Park House
Russell Gardens
London
NW11 9NJ

12 May 2021

Mercaz Chasidei Wiznitz Trust

Statement of Financial Activities

Year ended 31 July 2020

		2020		2019
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations	4	972,832	972,832	878,297
Other income	5	23,810	23,810	27,358
Total income		<u>996,642</u>	<u>996,642</u>	<u>905,655</u>
Expenditure				
Expenditure on charitable activities	6	<u>1,139,033</u>	<u>1,139,033</u>	<u>886,272</u>
Total expenditure		<u>1,139,033</u>	<u>1,139,033</u>	<u>886,272</u>
Net (expenditure)/income and net movement in funds		<u>(142,391)</u>	<u>(142,391)</u>	<u>19,383</u>
Reconciliation of funds				
Total funds brought forward		41,875	41,875	22,492
Total funds carried forward		<u>(100,516)</u>	<u>(100,516)</u>	<u>41,875</u>

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

The notes on pages 7 to 11 form part of these financial statements.

Mercatz Chasidei Wiznitz Trust

Statement of Financial Position

31 July 2020

	Note	2020 £	2019 £
Current assets			
Debtors	10	200,903	201,673
Cash at bank and in hand		<u>63,081</u>	<u>41,702</u>
		263,984	243,375
Creditors: amounts falling due within one year	11	<u>364,500</u>	<u>201,500</u>
Net current liabilities		<u>(100,516)</u>	<u>41,875</u>
Total assets less current liabilities		<u>(100,516)</u>	<u>41,875</u>
Net liabilities		<u><u>(100,516)</u></u>	<u><u>41,875</u></u>
Funds of the charity			
Unrestricted funds		<u>(100,516)</u>	<u>41,875</u>
Total charity funds	12	<u><u>(100,516)</u></u>	<u><u>41,875</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 12 May 2021, and are signed on behalf of the board by:

Mr I Taub
Trustee

The notes on pages 7 to 11 form part of these financial statements.

Mercaz Chasidei Wiznitz Trust

Statement of Cash Flows

Year ended 31 July 2020

	2020 £	2019 £
Cash flows from operating activities		
Net (expenditure)/income	(142,391)	19,383
<i>Adjustments for:</i>		
Interest payable and similar charges	204	320
Accrued expenses	1,500	1,020
<i>Changes in:</i>		
Trade and other debtors	770	—
Trade and other creditors	161,500	—
Cash generated from operations	21,583	20,723
Interest paid	(204)	(320)
Net cash from operating activities	<u>21,379</u>	<u>20,403</u>
Net increase in cash and cash equivalents	21,379	20,403
Cash and cash equivalents at beginning of year	41,702	21,299
Cash and cash equivalents at end of year	<u>63,081</u>	<u>41,702</u>

The notes on pages 7 to 11 form part of these financial statements.

Mercatz Chasidei Wiznitz Trust

Notes to the Financial Statements

Year ended 31 July 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 137 Kyverdale Road, London, N16 6PS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

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

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

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

Mercaz Chasidei Wiznitz Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Mercatz Chasidei Wiznitz Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations	972,832	972,832	878,297	878,297

5. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Tax refunds	23,810	23,810	27,358	27,358

Mercaz Chasidei Wiznitz Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Grants paid	1,084,444	1,084,444	825,424	825,424
Support costs	54,589	54,589	60,848	60,848
	<u>1,139,033</u>	<u>1,139,033</u>	<u>886,272</u>	<u>886,272</u>

7. Analysis of grants

	2020 £
Mercaz Chasidei Wiznitz	537,516
Shaarei Chesed	481,750
Eim Kol chai	40,400
Sundry grants (under 15,000)	24,778
	<u>1,084,444</u>

The charity is affiliated to the Mercaz Chasidei Wiznitz institutions in the UK and overseas. All grants and donations are made in accordance with the objectives of the charity.

8. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,500</u>	<u>1,500</u>

9. Trustee remuneration and expenses

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

10. Debtors

	2020 £	2019 £
Prepayments and accrued income	403	1,173
Other debtors	<u>200,500</u>	<u>200,500</u>
	<u>200,903</u>	<u>201,673</u>

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	3,000	1,500
Other creditors	<u>361,500</u>	<u>200,000</u>
	<u>364,500</u>	<u>201,500</u>

Mercaz Chasidei Wiznitz Trust

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

12. Analysis of charitable funds

Unrestricted funds

	At 1 August 2019	Income £	Expenditure £	At 31 July 2020 £
General funds	£ <u>41,875</u>	<u>996,642</u>	<u>(1,139,033)</u>	<u>(100,516)</u>

	At 1 August 2018	Income £	Expenditure £	At 31 July 2019 £
General funds	£ <u>22,492</u>	<u>905,655</u>	<u>(886,272)</u>	<u>41,875</u>

13. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Current assets	263,581	263,581
Creditors less than 1 year	<u>(364,097)</u>	<u>(364,097)</u>
Net liabilities	<u>(100,516)</u>	<u>(100,516)</u>

	Unrestricted Funds £	Total Funds 2019 £
Current assets	243,375	243,375
Creditors less than 1 year	<u>(201,500)</u>	<u>(201,500)</u>
Net liabilities	<u>41,875</u>	<u>41,875</u>

14. Analysis of changes in net debt

	At 1 Aug 2019 £	Cash flows £	At 31 Jul 2020 £
Cash at bank and in hand	<u>41,702</u>	<u>21,379</u>	<u>63,081</u>