

Company number 12131131

Charity number 1190501

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022
FOR
YESHIVAS MEKOR CHAYIM LIMITED**

Yeshivas Mekor Chayim Limited
Report of the trustees
For the year ended 31 July 2022

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st July 2022. 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 AIMS

The objects of the charity are:

The advancement of the Jewish religion, including by the establishment and operation of a yeshiva known as Yeshivas Mekor Chayim Limited and by the provision of religious education, religious services and facilities for religious education and study at such yeshiva.

Public benefit

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

Grant and donation making policy

The charity's policy is to act according to the Articles of Association which enables grants and donations to be made from both income and capital.

The trustees find that this is the most effective way of aiding applicants as it allows them flexibility in terms of deciding whether they will provide a grant and also ensures that each application is considered fairly.

Investment policy and objectives

The charity holds a current account. The policy of the charity is to continue holding this account for its ongoing expenditure.

The charity's reserves policy is to maintain sufficient reserves to enable the charity to continue its activities and services at a meaningful level, should there be a drop in income. As all income is derived from voluntary donations, the trustees review this position on a regular basis.

Having regard to the above the trustees are of the opinion that the cash reserves held as at the period end would be sufficient to meet one-month basic operating costs and, they intend to increase the reserves held in the forthcoming period.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The memorandum and articles incorporated the company on 31 July 2019 and it became a charity on 21 July 2020.

Recruitment and appointment of new trustees

The statutory power of appointing new trustees hereof shall be exercisable by the persons who are for the time being the trustees hereof.

Induction and training of new trustees

There are policies adopted by the trustees for the induction and training of charity trustees. There are no plans at present to appoint new trustees. The trustees will liaise together as the charity grows. At that point there will be a necessity to appoint more trustees and induction/training procedures will be considered then.

Risk management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of further adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate any significant risks.

ACHIEVEMENT & PERFORMANCE

The Trustees are delighted to report another successful year. We currently have almost 100 students, an increase of 40 and we have increased our lecturers to accommodate the increase without compromising on personal attention. The main objectives of the charity, as governed by the Memorandum and Articles of Association, is to operate a Yeshiva. Our students are engaged in detailed analysis of Talmudical and Biblical texts. They also are guided by the Dean and Principal (Rosh Hayeshiva) to improve and refine their characters. Our main funding comes from many local individuals, corporate donors and charitable trusts. We also ran a very successful fundraising campaign and the total donations we received for this financial year was £641,939 (2021: £523,202). We are also very grateful to the Trustees of North London Welfare and Educational Foundation, a local charity, who have again stepped up and supported the yeshiva so that we remain on safe financial footing. The Trustees are immensely grateful to all our supporters and take solace in all of them for showing such support over the last year.

PLANS FOR FUTURE

We have now signed a lease for a more permanent and larger building to accommodate the extra students and we expect the Yeshiva to only grow each year. We are also looking for creative and innovative ways to increase our donor base. We have to be wary of the financial impact of the Covid - 19 pandemic and therefore we actively make sure that we are frugal with our expenditure and at the same time, we do not want to compromise on our ability to deliver the objectives of the charity and continue building our students into fine young men.

REFERENCE AND ADMINISTRATIVE DETAILS

Company number 12131131
(England and Wales)

Registered Charity number
1190501

Registered office

29 Broadfields Avenue
Edgware
HA8 8PF

Trustees

Ilan Halberstadt
Elisha Koppel
B C Joseph

Independent Examiner

Anthony Epton
Goldwins Limited
75 Maygrove Road
West Hampstead
London
NW6 2EG

Statement of trustees' responsibilities

The trustees (who are also the directors of Yeshivas Mekor Chayim Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in

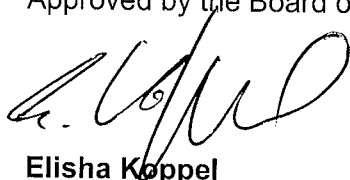
accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 charitable company 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees on 25/4/23 and signed on its behalf by:



Elisha Koppel
Trustee

**Independent examiner's report to the trustees of Yeshivas Mekor Chayim Limited
for the year ended 31 July 2022**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000, I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Anthony Epton

Anthony Epton BA FCA CTA FCIE
Goldwins
Chartered accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

25 April 2023

Yeshivas Mekor Chayim Limited
Statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 July 2022

		2022 Unrestricted Total £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
	Note				
Income from:					
Donations	2	641,939	-	641,939	523,202
Charitable activities	3	-	-	-	41,185
Investment income	4	4	-	4	4
Total income		641,943	-	641,943	564,391
Expenditure on:					
Raising funds		1,719		1,719	24,057
Charitable activities:		568,512	-	568,512	452,877
Total expenditure	5	570,231	-	570,231	476,934
Net income/ (expenditure) for the year		71,712	-	71,712	87,457
Net movement in funds	6	71,712	-	71,712	87,457
Reconciliation of funds:					
Total funds brought forward		75,423	-	75,423	(12,034)
Total funds carried forward	12	147,135	-	147,135	75,423

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

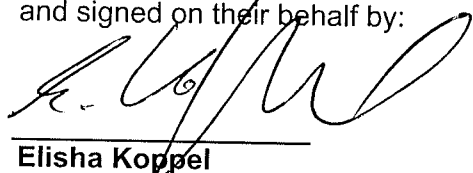
The attached notes form part of these financial statements.

Yeshivas Mekor Chayim Limited
Balance sheet
As at 31 July 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	9		63,309		55,373
Current assets:					
Cash at bank and in hand		<u>126,159</u>		<u>71,550</u>	
		126,159		71,550	
Liabilities:					
Creditors: amounts falling due within one year	10	<u>42,333</u>		<u>51,500</u>	
Net current assets/ (liabilities)			<u>83,826</u>		<u>20,050</u>
Total assets less current liabilities			147,135		75,423
Total net assets/ (liabilities)	11		<u>147,135</u>		<u>75,423</u>
Funds					
General funds		<u>147,135</u>		<u>75,423</u>	
Total unrestricted funds			147,135		75,423
Total funds	12		<u>147,135</u>		<u>75,423</u>

For the year ended 31 July 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees on 25 April 2023
and signed on their behalf by:



Elisha Koppel
Trustee

Company registration no. 12131131

Yeshivas Mekor Chayim Limited
Statement of cash flows
For the year ended 31 July 2022

	2021	2021	2020	2020
	£	£	£	£
Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income / (expenditure) for the year	71,712		87,457	
Depreciation	21,104		18,458	
Increase / (decrease) in creditors	(9,167)		-	
Cash flow provided by (used in) operating activities		83,649		105,915
Cash flow from investing activities:				
(Purchase) of fixed assets	(29,040)		(73,831)	
Cash flow provided by (used in) investing activities		(29,040)		(73,831)
Change in cash and cash equivalents in the year		54,609	-	32,084
Cash and cash equivalents at the beginning of the year		71,550		39,466
Cash and cash equivalents at the end of the year		126,159		71,550

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - (Charities SORP FRS 102) and Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity and its activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 5.

h) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	25% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Yeshivas Mekor Chayim Limited
Notes to the financial statements
For the year ended 31 July 2022

2 Donations

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Donations	641,939	-	641,939	523,202
	<u>641,939</u>	<u>-</u>	<u>641,939</u>	<u>523,202</u>

3 Charitable activities

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Fees received	-	-	-	41,185
	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,185</u>

4 Investment income

	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Bank interest received	2	-	2	4
	<u>2</u>	<u>-</u>	<u>2</u>	<u>4</u>

Yeshivas Mekor Chayim Limited
Notes to the financial statements
For the year ended 31 July 2022

5 Analysis of expenditure

	Basis of allocation	Fundraising costs £	Charitable activities £	Support costs £	Governance costs £	2022 Total £	2021 Total £
Donations	Direct	-	272,523	-	-	272,523	248,570
Fundraising costs	Direct	1,719	-	-	-	1,719	24,057
Staff costs	Direct	-	7,920	-	-	7,920	-
Books	Direct	-	1,182	-	-	1,182	2,077
Legal and professional	Direct	-	-	11,411	-	11,411	3,377
Food	Direct	-	129,254	-	-	129,254	101,092
Bank charges	Direct	-	-	447	-	447	521
Bank interest	Direct	-	-	1,052	-	1,052	-
Independent examiner fees	Direct	-	-	-	2,400	2,400	1,500
Travel and motor expenses	Direct	-	10,383	-	-	10,383	22,497
Other charitable activities	Direct	-	-	-	-	-	4,241
Rent	Space	-	-	73,800	-	73,800	24,000
Cleaning	Space	-	-	27,032	-	27,032	20,520
Office costs	Space	-	-	10,004	-	10,004	6,024
Depreciation	Direct	-	-	21,104	-	21,104	18,458
		<u>1,719</u>	<u>421,262</u>	<u>144,850</u>	<u>2,400</u>	<u>570,231</u>	<u>476,934</u>
Support costs		-	144,850	(144,850)	-	-	-
Governance costs		-	2,400	-	(2,400)	-	-
Total expenditure 2022		<u><u>1,719</u></u>	<u><u>568,512</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>570,231</u></u>	
Total expenditure 2021		<u><u>24,057</u></u>	<u><u>452,877</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>476,934</u></u>

All of the expenditure was unrestricted.

Yeshivas Mekor Chayim Limited
Notes to the financial statements
For the year ended 31 July 2022

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022	2021
	£	£
Operating lease rental	73,800	24,000
Depreciation	21,104	18,458
Independent examiner's fees	2,400	2,400

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	7,920	-
	7,920	-

The total employee benefits including pension contributions of the key management personnel were £2,640 (2021: Nil).

No employee received employee benefits (excluding employer pension) exceeding £60,000 during the year (2021: No employee).

The charity trustees were not paid or received any benefits from employment with the charity neither were they reimbursed expenses during the year. No charity trustee received payment for professional or other services supplied to the charity.

The average number of employees during the year was 3 (2021:Nil).

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for the charitable purposes.

Yeshivas Mekor Chayim Limited
Notes to the financial statements
For the year ended 31 July 2022

9 Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	2022 Total £
Cost				
At the start of the year	65,284	3,000	5,547	73,831
Additions in year	27,640	-	1,400	29,040
At the end of the year	<u>92,924</u>	<u>3,000</u>	<u>6,947</u>	<u>102,871</u>
Depreciation				
At the start of the year	16,321	750	1,387	18,458
Charge for the year	19,151	563	1,390	21,104
At the end of the year	<u>35,472</u>	<u>1,313</u>	<u>2,777</u>	<u>39,562</u>
Net book value				
At the end of the year	<u>57,452</u>	<u>1,687</u>	<u>4,170</u>	<u>63,309</u>
At the start of the year	<u>48,963</u>	<u>2,250</u>	<u>4,160</u>	<u>55,373</u>

All of the above assets are used for charitable purposes.

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Other loans	40,833	50,000
Accruals	1,500	1,500
	<u>42,333</u>	<u>51,500</u>

11 Analysis of net assets between funds

	General Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total funds £
Fixed assets	63,309	-	-	63,309
Net current assets	83,826	-	-	83,826
Total net assets	<u>83,826</u>	<u>-</u>	<u>-</u>	<u>147,135</u>

Analysis of net assets between funds prior year

	General Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total funds £
Fixed assets	55,373	-	-	55,373
Net current (liabilities)	20,050	-	-	20,050
Total net (liabilities)	<u>75,423</u>	<u>-</u>	<u>-</u>	<u>75,423</u>

12 Movements in funds

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
General funds	75,423	641,943	(570,231)	-	147,135
Total unrestricted funds	<u>75,423</u>	<u>641,943</u>	<u>(570,231)</u>	<u>-</u>	<u>147,135</u>

Movements in funds prior year

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
General funds	(12,034)	564,391	(476,934)	-	75,423
Total unrestricted funds	<u>(12,034)</u>	<u>564,391</u>	<u>(476,934)</u>	<u>-</u>	<u>75,423</u>

13 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

14 Related party transactions

During the year the charity received donations for the sum of £8,500 from North London Welfare and Educational Foundation. One of the trustees, Mr B C Joseph, is also a trustee in North London Welfare and Education Foundation.