

MACHZIKE HADATH COMMUNITY

REGISTERED CHARITY: 289999

FINANCIAL STATEMENTS AND ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

MACHZIKE HADATH COMMUNITY
Incorporating Machzike Hadath Synagogue

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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MACHZIKE HADATH COMMUNITY
Incorporating Machzike Hadath Synagogue

TRUST INFORMATION

Registered Charity Number	:	289999
Trustees	:	Mr Nathan David Colman Mr Gregory Roediger Mr John Wosner
Independent Examiner	:	Shaya Grosskopf FCA 1g Accountants Chartered Accountants Churchill House 137-139 Brent Street London NW4 3QU
Principal Address	:	1-4 Highfield Road London NW11 9LU
Bankers	:	HSBC Bank PLC 40 Temple Fortune Parade London NW11 0QU

MACHZIKE HADATH COMMUNITY
Incorporating Machzike Hadath Synagogue
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report and financial statements of the charity for the year ended 31 August 2023. The trustees confirm that the Annual Report and financial statements of the trust comply with the current statutory requirements including recommended practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

Charitable objects

The objects of the Machzike Hadath Community are to oversee the administration of the Machzike Hadath Synagogue, to deal with its burial ground and to attend to communal matters such as assistance of the needy.

The Synagogue exists to further the practice and observance of traditional Orthodox Judaism in accordance with the dictates of the Shulchan Aruch and under the direction and guidance of a strictly orthodox Rav.

The trustees delegate the day to day operations of the synagogue to the Executive Committee which consists of a chairman and elected and co-opted members.

Governing documents

A Trust Deed describes the specific objects of the trust and the Trustees duties. The synagogue's constitution deals with the responsibility of its Officers and General Meetings. The charity was registered with the Charity Commission as Machzike Hadath Community on 30 November 1984 (Registration No. 289999) – preliminary constitution 1949.

Trustees

The trustees of the charity who served during the year and to date were as follows:

Mr Nathan David Colman
Mr Gregory Roediger
Mr John Wosner

Activities

The charity runs a burial society for the benefit of the Community. Members of the Synagogue are entitled to join on the payment of an annual subscription determined every year by the trustees and collected by the Synagogue Officers.

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TRUSTEES' ANNUAL REPORT CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

The charity provides funds for a Gemach. This enables members of the synagogue and others to apply for assistance mainly through interest free loans in the event of being in needy circumstances. Applications are welcomed and are handled by a subcommittee which assesses requests on a confidential basis. In addition, small grants are currently being made available to applicants who have suffered financially because of lockdowns.

The synagogue holds daily services and lectures on religious matters and learning programmes run by the Rav. These activities have been substantially expanded during the year with both members and non-members participating.

The charity is aware of the risks to which it is exposed and monitors them with the effect that all such risks are mitigated wherever possible.

Financial review

Total income in the year was £160,630 (2022: £204,048). Expenditure was £199,292 (2022: £130,517). Retained funds at the end of the financial year was £791,502 (2022: £821,330).

The charity seeks to maintain a sufficient level of reserves to meet all its day-to-day activities and also its capital expenditure plans for the foreseeable future. This policy is reviewed regularly by the trustees. The synagogue affairs are run by the Executive Committee which meets on a regular basis throughout the year. Currently the synagogue incurs operating expenditure of approximately £160,000 per annum, which is funded by fundraising and from the investment income of the charity. The trustees and the Executive Committee keep the financial position of the synagogue under review.

Public benefit

The principal activities of the charity during the year continued to be to promote traditional Orthodox Judaism and its values. The trustees are aware of the Charity Commission guidance on public benefit reporting as set out in Section 17 Charities Act 2011. The trustees believe that the charity achieves a public benefit by providing these services as detailed throughout this report and accounts.

Fund held as custodian trustee

The Charity collects funds from its members to pass on to other Charities in the course of collecting its own annual membership subscriptions. At the financial year end, the Charity held £1,020 (2022: £949) on behalf of the Board of Deputies of British Jews and £1,690 (2022: £1,700) on behalf of the NW London Eruv Committee, both held for the advancement of the Orthodox Jewish faith.

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TRUSTEES' ANNUAL REPORT CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

Volunteers

The Trustees are grateful to volunteers who assist with the administration of the synagogue and preparations for services and other events

Statement of trustees' responsibilities

Charity law 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 its financial activities for that year together with its assets and liabilities at the end of the year, and adequately distinguish any material special Trust or other restricted fund of the Charity. In preparing those financial statements the Trustees are required to:-

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether the policies adopted are in accordance with the appropriate SORP on Accounting and Reporting by Charities and the Accounting Regulations and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 enable them to ensure that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and the regulations made under the Charities Act. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Approved by the Board of trustees and signed on its behalf by:



Mr J Vosner
Trustee
7 June 2024

Independent examiner's report to the trustees of Machzike Hadath Community

I report to the trustees on my examination of the accounts of the Machzike Hadath Community (the Trust) for the year ended 31 August 2023.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 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

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

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

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

Shaya Grosskopf

Shaya Grosskopf FCA
1g Accountants
Chartered Accountants
Churchill House
137-139 Brent Street
NW4 4DJ

7 June 2024

MACHZIKE HADATH COMMUNITY
Incorporating Machzike Hadath Synagogue
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2023

	<u>Restricted Funds 2022</u>	<u>Unrestricted Funds 2022</u>	<u>Year ended 31 August 2023</u>	<u>Year ended 31 August 2022</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income from:				
Membership fees	-	37,802	37,802	37,803
Grants & donations received	22,115	50,291	72,406	116,699
Sponsorship	-	9,326	9,326	14,337
Investment Income				
Bank interest, movement in fair value of investments, and dividends receivable	-	28,240	28,240	27,306
Rental Income	-	12,856	12,856	8,820
<u>Total Income</u>	<u>22,115</u>	<u>138,515</u>	<u>160,630</u>	<u>204,048</u>
Charitable activities				
Affiliation fees	-	6,521	6,521	(6,867)
Synagogue expenses	-	67,982	67,982	32,060
Grants paid	5,000	-	5,000	3,000
Premises expenses	32,587	59,157	94,114	80,152
Depreciation	6,710	1,808	8,518	4,511
Bank charges	-	427	427	356
Legal and professional fees	-	6,335	3,985	2,355
Office costs	-	12,745	12,745	14,905
<u>Total expenditure</u>	<u>44,297</u>	<u>154,995</u>	<u>199,292</u>	<u>130,517</u>
Net gains on disposal of investments	-	8,834	8,834	4,512
<u>Total (deficit) / income for the year</u>	<u>(22,182)</u>	<u>(7,646)</u>	<u>(29,828)</u>	<u>78,043</u>
Transfer between funds	941	(941)	-	-
Funds brought forward	123,092	698,238	821,330	743,287
<u>Funds carried forward</u>	<u>101,851</u>	<u>689,651</u>	<u>791,502</u>	<u>821,330</u>

MACHZIKE HADATH COMMUNITY
Incorporating Machzike Hadath Synagogue
BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	202. £	2022 £
FIXED ASSETS			
Tangible fixed assets	2	78,988	39,601
Investments	3	<u>686,163</u>	<u>672,697</u>
		765,151	712,298
CURRENT ASSETS			
Debtors	4	9,052	18,731
Cash at bank and in hand		<u>32,321</u>	<u>99,193</u>
		41,373	117,924
CREDITORS			
Amounts falling due within 1 year	5	(15,022)	(8,892)
NET CURRENT ASSETS		<u>26,351</u>	<u>109,032</u>
NET ASSETS		<u>791,502</u>	<u>821,330</u>
FUNDS			
Restricted	6	101,851	123,092
Unrestricted		<u>689,651</u>	<u>698,238</u>
		<u>791,502</u>	<u>821,330</u>

Approved by the Board of Trustees and signed on its behalf by:



Mr J Wosner
Trustee

7 June 2024

The attached notes form part of these Financial Statements.

MACHZIKE HADATH COMMUNITY
Incorporating Machzike Hadath Synagogue
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES

(a) Accounting Convention

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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trust 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 note(s).

In common with many charitable organisations, the Trust is dependent upon the receipt of donations and voluntary income. The continuing receipt of such funds cannot always be predicted with certainty and the accounts have been prepared on the basis that funds will continue to be received at a level sufficient to enable the Trust to carry out day to day running expenses and fulfill its charitable objectives. As much of the deficit relates to investment losses which are expected to be reversed, and based on a review of the Trust's plans for next year, and the Trust's considerable reserves, the trustees have elected to use the going concern basis of accounting.

(b) Depreciation

Depreciation of Tangible Fixed Assets is charged as follows:-

Freehold improvements:	15% reducing balance
Furniture and flooring:	15% straight line
Plant, machinery, other fixtures & fittings:	25% reducing balance

(c) Income

Donations are included in the account when the money is receivable.

(d) Expenditure

Expenditure is charged to the income and expenditure account on an accruals basis.

(e) Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund. They are available for use at the discretion of the trustees in furtherance of the Charity's general charitable objectives.

Restricted funds represent funds collected or earmarked specifically for application to specific activities.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

(f) Income

Grant income has been recognised when all the performance conditions attached to the grant (if there are any such conditions) have been fulfilled. Donations are recognised when paid. Membership income is recognised over the course of the membership year. Other sponsorship income is recognised when the Trust becomes constructively entitled to funds. The Trust is dependent on the work of volunteers but is unable to reliably value the benefit derived thereby.

(g) Legal Status of the Trust

The Trust was established by a deed in 1924. The charity was registered with the Charity Commission as Machzike Hadath Community on 30 November 1984 (Registration No. 289999) – preliminary constitution 1949.

(h) Cash flow statement

The Trust has applied the exemption in Section 1.12A of FRS102 relating to the preparation of a cash flow statement.

(i) Investments

Equity investments are valued where possible at their fair value determined by reference to a publicly traded liquid stock exchange.

(j) Net income/(expenditure)

Net income/(expenditure) is stated after charging

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Depreciation	4,511	4,511
Wages and salaries (included in office costs and synagogue costs)	37,550	10,677
Accountancy and independent examination fees	2,550	2,320

(k) Going Concern

In the opinion of the Trustees after considering the significant net funds of the charity, there are no material uncertainties to the status of the Charity as a going concern, and the accounts have been prepared accordingly.

(l) Investments

Investments including both equity and debt instruments held as part of an investment portfolio are stated at their fair (market) values in a widely traded market, and movements in this value are recognised in the statement of financial affairs.

MACHZIKE HADATH COMMUNITY
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NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

(m) Staff and trustees

During the year the Trust employed 3 individuals (2022: 3 individuals). Trustees were not paid for their services and no expenses were reimbursed to any of the trustees during the year.

(n) Taxation

The trust is exempt from income taxation. As the Trust cannot recover VAT, irrecoverable VAT is included in its expenditure.

2. TANGIBLE FIXED ASSETS

	<u>Plant, machinery, fixtures and fittings</u>	<u>Freehold Improvements</u>	<u>Total</u>
<u>Cost</u>	£	£	£
At 1 September 2022	63,238	27,368	90,606
Additions	47,905	-	47,905
At 31 August 2023	111,143	27,368	138,511
<u>Depreciation</u>			
At 1 September 2022	28,694	22,311	51,005
Charge for the year	7,760	758	8,518
At 31 August 2023	36,454	23,069	59,523
<u>Net book value</u>			
At 31 August 2023	74,689	4,299	78,988
At 31 August 2022	34,544	5,057	39,601

Though it is carried at nil cost in the balance sheet, the property at 1-4 Highfield Road, London, NW11, has been held since 1999 jointly on trust by Machzike Hadath Community and the Federation of Synagogues Trust Corporation for the benefit of Machzike Hadath Congregation. In addition, the Community owns an area of land at Carterhatch Lane Cemetery, Enfield, reserved for members of its burial scheme, and likewise held at nil cost.

MACHZIKE HADATH COMMUNITY
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NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

3. INVESTMENTS:

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Market value brought forwards	672,697	697,732
Cost of additions	132,538	316,531
Book value of disposals	(111,569)	(293,746)
Movement in fair market value	<u>(7,503)</u>	<u>(47,820)</u>
	686,163	672,697

Investments with a market value of £47,091 (2022: £46,475) are held in debt instruments, and the remaining £639,072 (2022: £626,222) are held in equity instruments

4. DEBTORS:

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
Other debtors	3,409	8,613
Prepayments and accrued income	<u>5,643</u>	<u>10,118</u>
	9,052	18,731

5. CREDITORS: Amounts falling due within one year

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Trade creditors	5,737	3,179
Other creditors	6,222	2,177
Accruals, income in advance and deferred income	<u>3,063</u>	<u>3,536</u>
	15,022	8,892

Other creditors includes £2,710 (2022: 2,649) of funds held as agent for other charities as set out in the trustees' report.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2023

6. **ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS**

	Balance at 1 September 2022	Incoming resources	Resources expended	Transferred from / (to) general funds	Funds at 31 August 2023
	£	£	£	£	£
Security Fund	1,464	3,691	(4,999)	941	1,097
Building Fund	65,868	18,070	(34,298)	-	49,640
Burial Fund	42,500	-	-	-	42,500
Welfare Fund	13,260	354	(5,000)	-	8,614
Total	123,092	22,115	(44,297)	941	101,851

	Balance at 1 September 2021	Incoming resources	Resources expended	Transferred to general funds	Funds at 31 August 2022
	£	£	£	£	£
Security Fund	1,132	3,844	(4,648)	1,136	1,464
Building Fund	23,703	54,100	(11,935)	-	65,868
Burial Fund	42,500	-	-	-	42,500
Welfare Fund	9,560	3,700	-	-	13,260
Total	76,895	61,644	(16,583)	1,136	123,092

MACHZIKE HADATH COMMUNITY
Incorporating Machzike Hadath Synagogue
NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2022

The Security Fund represents grants provided by the Community Security Trust, a UK registered charity, in respect of manned security provided during services and security equipment repairs and purchases. The balance at the year-end is represented by tangible fixed assets of £1,097 (2022: £1,464 held in tangible fixed assets). A cash deficit was made good by way of transfer from general funds.

The Building Fund represents grants earmarked for the refurbishment and renewal of the synagogue building. The Building Fund at the year-end is represented by tangible fixed assets of £65,868.

The Burial Fund represents amounts earmarked by the trustees towards meeting the commitments of the Synagogue to subscribers of its Burial Scheme. The Burial Fund balance of £42,500 (2022: £42,500) is represented by investments.

The Gemach (Welfare) Fund represents amounts earmarked by donors towards the alleviation of poverty in the local community. The Welfare Fund balance at 31 August 2022 of £8,614 (2021: £13,260) is held in cash.

7. RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH TRUSTEES

The trustees are all members of the charity and contribute membership subscriptions at the standard rate applicable to all members.

In addition to membership subscriptions, the aggregate amount donated by trustees to the charity during the financial reporting year was £3,181 (2022: £21,307).

8. GRANTS PAID

During the year the charity made grants to 3 (2022: 3) individuals for an aggregate amount of £3,000 (2022: £2,000) for the alleviation of poverty, and a grant of £2,000 to Kinyan Hatorah UK, a UK registered charity, to support a Passover program for the advancement of religion (2022: no grants were paid to organisations.)