

Charity Registration No. 1110347

Company Registration No. 05477441 (England and Wales)

MISHKAN YERUSHULAYIM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018



MISHKAN YERUSHULAYIM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Joshua Sternlicht Mrs Rivka Gross Mr Yankel Grossberger
Charity number	1110347
Company number	05477441
Registered office	New Burlington House 1075 Finchley Road London NW11 0PU
Auditor	Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU

MISHKAN YERUSHULAYIM

CONTENTS

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditor's report	5 - 7
Statement of financial activities	8
Statement of financial position	9
Notes to the financial statements	10 - 14

MISHKAN YERUSHULAYIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2018

The trustees present their report and financial statements for the year ended 30 June 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's objects are:

- (a) the relief of poor, aged and infirm Jewish people;
- (b) the advancement of education in accordance with the orthodox Jewish tradition and in particular in accordance with the Shulchon Oruch; and
- (c) the advancement of the orthodox tradition of the Jewish religion in accordance with the Shulchon Oruch.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

Mishkan Yerushalayim regularly supports charitable organisations and institutions both in respect of revenue expenditure and capital projects and there has been a continual call for funding of capital projects together with a concomitant need for increased revenue support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of The Charities Act 2011.

Grants are made to charitable institutions and organisations which conform to the objectives of the charity after the trustees have satisfied themselves as to the bona fides of the recipient.

Achievements and performance

The charity derives its income from its subsidiary undertaking, in the form of Gift Aid receipts. During the year under review, it received £405,000 (2017: £15,000) from its subsidiary undertaking.

During the year under review £350,000 (2017: £15,000) was distributed in furtherance of the charities objectives.

Financial review

The charity's income increased from that of the previous year enabling it to increase the level of its grant making to those institutions that it intends to support on a regular basis. Its subsidiary undertaking, Crownlife Limited, donated its entire taxable profits by way of Gift Aid to the charity with the underlying value of this investment increasing during the year.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

Whilst the charity has unrestricted funds of £17,631,986 (2017: £17,631,986) none of this is distributable as its investment in and fair value adjustments to its subsidiary undertaking exceeds this amount.

The movements in investments are fully reflected in the notes to the financial statements.

MISHKAN YERUSHULAYIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

The charity's unquoted investments are included in the financial statements at fair value as determined by the trustees.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The charity holds or issues financial instruments to achieve three main objectives being:

- to finance its operations
- to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- to generate funds.

In addition various financial instruments (e.g. debtors, creditors, prepayments and accruals) arise directly from the charity's operations.

The charity plans continuing the activities outlined above in the coming year subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association. The charity is limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Joshua Sternlicht
Mrs Rivka Gross
Mr Yankel Grossberger

As set of in the Articles of Association, the members of the charity is unlimited in number. There is one class of members, namely company members who are the subscribers and all persons subsequently admitted by the Board to membership.

No person shall be admitted to the membership of the company as a company member unless:

- He has signed and sent to the Secretary an application for admission framed in such terms as the Board shall from time to time prescribe, and;
- He has been admitted to the membership by the Board.

The organisation is run by the company members who are the trustees. Every trustee holds office until he/she shall die or shall cease to be Jewish or resigns by giving notice in writing to the secretary.

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

MISHKAN YERUSHULAYIM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Unless and until otherwise determined by the charity, the Board of trustees shall consist of not less than three but shall not be subject to any maximum. The Board appoints from among its members a Chair and a Vice Chair and, in the event any vacancy arises, the Board shall as soon as practicable fill the vacancy. Two company members present in person or a duly authorised representative of a company member shall form a quorum at a general meeting.

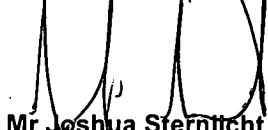
None of the trustees have any beneficial interest in the charity.

The charity's sole investment is its subsidiary undertaking, Crownlife Limited, a company engaged in property investment.

Auditor

The auditor, Cohen Arnold, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



Mr Joshua Sternlicht

Trustee

Dated: 27 March 2019

MISHKAN YERUSHULAYIM

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2018

The trustees, who are also the directors of Mishkan Yerushulayim for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

MISHKAN YERUSHULAYIM

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MISHKAN YERUSHULAYIM

Opinion

We have audited the financial statements of Mishkan Yerushulayim (the 'charity') for the year ended 30 June 2018 which comprise the statement of financial activities, the statement of financial position and the 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2018 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 Companies Act 2006.

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 Auditor's 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 accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MISHKAN YERUSHULAYIM

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF MISHKAN YERUSHULAYIM

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MISHKAN YERUSHULAYIM

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF MISHKAN YERUSHULAYIM

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.

M. Broner-Cohen

**Moshe Broner-Cohen (Senior Statutory Auditor)
for and on behalf of Cohen Arnold**

27 March 2019

**Chartered Accountants
Statutory Auditor**

New Burlington House
1075 Finchley Road
London NW11 0PU

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

MISHKAN YERUSHULAYIM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Unrestricted funds 2018 £	Total 2017 £
<u>Income from:</u>			
Donations and legacies	3	405,000	15,000
<u>Expenditure on:</u>			
Charitable activities	4	360,537	18,499
Net incoming/(outgoing) resources		44,463	(3,499)
Other recognised gains and losses			
Revaluation of tangible fixed assets		219,615	1,090,622
Net movement in funds		264,078	1,087,123
Fund balances at 1 July 2017		17,631,986	16,544,863
Fund balances at 30 June 2018		17,896,064	17,631,986

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MISHKAN YERUSHULAYIM

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

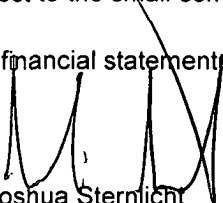
	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	9	18,254,684		18,035,069	
Current assets					
Cash at bank and in hand		42,736		1,969	
Creditors: amounts falling due within one year	11	(401,356)		(405,052)	
Net current liabilities		(358,620)		(403,083)	
Total assets less current liabilities		17,896,064		17,631,986	
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		7,306,380		7,261,917	
Revaluation reserve		10,589,684		10,370,069	
		17,896,064		17,631,986	
		17,896,064		17,631,986	

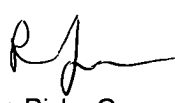
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 27 March 2019


Mr Joshua Sternlicht
Trustee


Mrs Rivka Gross
Trustee

Company Registration No. 05477441

MISHKAN YERUSHULAYIM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Charity information

Mishkan Yerushulayim is a private company limited by guarantee incorporated in England and Wales. The registered office is New Burlington House, 1075 Finchley Road, London, NW11 0PU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

MISHKAN YERUSHULAYIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.5 Resources expended

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MISHKAN YERUSHULAYIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

3 Donations and legacies

	Unrestricted funds	Total
	2018 £	2017 £
Donations and gifts	405,000	15,000

4 Charitable activities

	2018 £	2017 £
Grant funding of activities (see note 5)	350,000	15,000
Share of support costs (see note 6)	2,667	1,099
Share of governance costs (see note 6)	7,870	2,400
	360,537	18,499

5 Grants payable

	2018 £	2017 £
Grants to institutions:		
Yeshiva Gedolah Torah Veyirah Seven Oaks Limited	-	15,000
United Talmudical Associates Limited	350,000	-
	350,000	15,000

MISHKAN YERUSHULAYIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

6 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Accountancy fees	2,394	-	2,394	840
Bank charges	26	-	26	12
Office and administrative expenses	247	-	247	247
Audit fees	-	7,870	7,870	2,400
	<u>2,667</u>	<u>7,870</u>	<u>10,537</u>	<u>3,499</u>
Analysed between Charitable activities	<u>2,667</u>	<u>7,870</u>	<u>10,537</u>	<u>3,499</u>

Governance costs includes payments to the auditors of £7,870 (2017- £2,400) for audit fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

There were no employees during the year.

9 Fixed asset investments

	Other investments
Cost or valuation	
At 1 July 2017	18,035,069
Additions	219,615
At 30 June 2018	<u>18,254,684</u>
Carrying amount	
At 30 June 2018	<u>18,254,684</u>
At 30 June 2017	<u>18,035,069</u>

	Notes	2018 £	2017 £
Other investments comprise:			
Investments in subsidiaries	13	<u>18,254,684</u>	<u>18,035,069</u>

MISHKAN YERUSHULAYIM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

9 Fixed asset investments (Continued)

10 Financial instruments	2018 £	2017 £
Carrying amount of financial liabilities		
Measured at amortised cost	401,356	405,052

11 Creditors: amounts falling due within one year	2018 £	2017 £
Amounts owed to subsidiary undertakings	13,116	13,116
Other creditors	388,240	391,936
	401,356	405,052

12 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year charitable donations of £405,000 (2017: £15,000) were received from the charity's subsidiary undertaking, Crownlife Limited.

13 Subsidiaries

These financial statements are separate charity financial statements for Mishkan Yerushulayim.

The charity meets the criteria both within the Companies Act and the Charities Act to file individual accounts and thus consolidated accounts have not been prepared.

Details of the charity's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Crownlife Limited	England & Wales	Property Investment	Ordinary	100.00