

REGISTERED COMPANY NUMBER: 07637296 (England and Wales)
REGISTERED CHARITY NUMBER: 1144117

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 August 2017
for
Gan Menachem Hendon Ltd



Gan Menachem Hendon Ltd

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for the Year Ended 31 August 2017

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Gan Menachem Hendon Ltd

Report of the Trustees for the Year Ended 31 August 2017

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 31 August 2017. 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 ACTIVITIES

Objectives and aims

The objects of the charity are to advance and promote for the public benefit Jewish religion and culture as well as religious understanding by providing educational facilities and services for children.

In order to achieve these objects the charity operates a nursery which offers a safe and supported environment for the education of the children of the Jewish faith. The school gives them a good grounding to progress into primary school.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives and in planning the charity's future activities. The aims of the charitable company for the public benefit are detailed in the 'Objectives and Activities' section of this report and the main activities undertaken in order to carry out the charitable company's aims for the public benefit are outlined under 'Achievements and Performance' below.

Volunteers

We take the opportunity to thank all those that provided voluntary support to the organisation. Specifically to the Trustees who actively manage the charities risks and financial position, and who provide days of their time in order to ensure the continuity and excellence of the charity.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Headteacher Mrs Lieberman has been involved with the nursery since its inception and constantly monitors the progress of its children. The Trustees believe that the quality of the teaching is good and staff are committed to meeting the needs of individual children. A curriculum is planned for each child to enhance their learning and development which allows them to play and show individual creativity.

The school maintained a similar number of children in the school of approximately 75 this year with increased level of fees and quality. The children are all from local families, supporting the local community.

The charity has a specific policy whereby bursaries are paid in the form of reduced fees to pupils who come from disadvantaged families in the Jewish community. The amount paid in the year under review was £6,493 (2016 - £11,825).

The charity is also gives back by employing local qualified teachers and assistants.

FINANCIAL REVIEW

Financial results

The net resources for the year amounted to an incoming amount of £339 (2016 - outgoing amount of £1,483).

Total income received was £434,953 (2016 - £424,275). This comprised mainly income from nursery activities which amounted to £407,629 (2016 - £395,828). Total expenditure amounted to £434,614 (2016 - £425,758). Of this sum expenditure on nursery activities amounted to £411,443 (2016 - £414,744). The biggest element of this was staff costs of £303,922 (2016 - £290,827). Governance costs amounted to £18,296 (2016 - £6,623).

Investment policy and objectives

Under its Memorandum of Association the charity has power to invest in any way the trustees wish.

Gan Menachem Hendon Ltd

Report of the Trustees
for the Year Ended 31 August 2017

FINANCIAL REVIEW

Reserves policy

The Trustees recognise the need to adopt a suitable policy on reserves especially as the school's activities may show a surplus on an ongoing basis. In the first instance the Trustees recognise the need to maintain a level of reserves to cover any unforeseen contingencies in its day to day operations.

An adequate level for such reserves is deemed to be equivalent to three months expenditure ie £108,654 (2016 - £106,440). This compares to a balance on unrestricted funds at the year end of £1,242 (2016 - £903).

Although there is a shortfall the charity is working to build up reserves to this level over the coming years, and current years performance reflects this gradually.

PRINCIPLE RISKS AND FUTURE PLANS

The main risk faced by the charity is the decline in number of students and in unpaid fees. The local demand for Jewish nurseries mitigates this risk and the Trustees take a careful approach to recovering all fees charged.

The charity continues to explore ways to enhance the surplus in the charity for more financial security and unexpected events.

STRUCTURE, GOVERNANCE AND MANAGEMENT.

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Gan Menachem Hendon Ltd is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

According to Charity Commission guidance the charity looks to maintain a minimum of three trustees with no maximum number. All trustees must be members of the charitable company. Additional trustees may be appointed by the existing trustees at any time, either to fill a casual vacancy or as an addition to the existing trustees. Any trustees so appointed will hold office only until the next Annual General Meeting and will then be eligible for re-election.

No trustee had any beneficial interest in any contract with the charitable company during the year other than those specified in the accounts.

In the year the charity paid fees of £3,366 (2016 - £3,191) for bookkeeping and supporting services to DAS Accounting Services Ltd, a company controlled by Mr P Davidoff, a trustee of the charity. The charity considered the Charity Commission's guidance on payments to trustees and are satisfied the amounts paid are at arms length and in the best interest of the charity.

Potential trustees are invited to informally attend trustee meetings prior to appointment and a comprehensive induction programme is available. Additionally individual trustees may undertake external training in a particular area of their role on the Governing Body.

All current Trustees are appraised of new developments in charity law and practice. All new Trustees are provided with all relevant information pertaining to its affairs to ensure that they can understand and meet the responsibilities the role entails.

During this year and the previous years Mr M M Freundlich acted as chair and principal Trustee in managing the day to day operations of the charity.

Gan Menachem Hendon Ltd

Report of the Trustees
for the Year Ended 31 August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Gan Menachem Hendon, a company limited by guarantee, was set up to provide educational facilities for Jewish children in North London. The charitable company is governed pursuant to its memorandum and articles of association. The charitable company commenced its activities on 1 September 2011.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr David Abramson
Mr Mendy Freundlich
Mr J Wilhelm

All of the Trustees are members of the company and guarantee to contribute a total of £3 in the event of a winding up.

The charity and the nursery are run by a Governing Council that maintains control of the funds retained and are solely responsible for their disbursement. The Governing Council consists of the Trustees and additional governors appointed from the local community. The Headteacher Mrs Lieberman has the responsibility for the day to day running of the nursery and reports formally to the Governing Council on all matters relating to the nursery.

Wider network

At present Gan Menachem Hendon Ltd does not consider itself part of a wider network.

Related parties

Gan Menachem Hendon Ltd has no tied organisations or companies.

Risk management

The Trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07637296 (England and Wales)

Registered Charity number
1144117

Registered office
Stirling House
9 Borough Gardens
Hendon
London
NW4 4AU

Trustees

Mr D Abramson	Director	
Mr M M Freundlich	Director	
Mr P Davidoff		- resigned 1.8.17
Mr J Wilhelm	Trustee	- appointed 1.8.17

Independent examiner
Mr Howard Fox FCA CTA
Chartered Accountant

Gan Menachem Hendon Ltd

Report of the Trustees
for the Year Ended 31 August 2017

Approved by order of the board of trustees on 26 September 2017 and signed on its behalf by:

Mendy Freundlich

Mr M M Freundlich • Trustee

Independent Examiner's Report to the Trustees of
Gan Menachem Hendon Ltd

I report on the accounts for the year ended 31 August 2017 set out on pages six to twelve.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Chartered Accountant.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mr Howard Fox FCA CTA
Chartered Accountant

26 September 2017

Gan Menachem Hendon Ltd

Statement of Financial Activities
for the Year Ended 31 August 2017

	Notes	Unrestricted fund £	Restricted fund £	31.8.17 Total funds £	31.8.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		27,324	-	27,324	28,447
Charitable activities		407,629	-	407,629	395,828
Total		434,953	-	434,953	424,275
 EXPENDITURE ON					
Charitable activities		434,614	-	434,614	425,758
NET INCOME/(EXPENDITURE)		339	-	339	(1,483)
 RECONCILIATION OF FUNDS					
Total funds brought forward		903	-	903	2,386
TOTAL FUNDS CARRIED FORWARD		1,242	-	1,242	903

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Gan Menachem Hendon Ltd

Balance Sheet

At 31 August 2017

	Notes	Unrestricted fund £	Restricted fund £	31.8.17 Total funds £	31.8.16 Total funds £
FIXED ASSETS					
Tangible assets	6	7,238	-	7,238	5,961
CURRENT ASSETS					
Debtors	7	130,228	-	130,228	285,384
Cash at bank and in hand		10,330	-	10,330	17,416
		<u>140,558</u>	<u>-</u>	<u>140,558</u>	<u>302,800</u>
CREDITORS					
Amounts falling due within one year	8	(146,554)	-	(146,554)	(307,858)
NET CURRENT ASSETS/(LIABILITIES)		<u>(5,996)</u>	<u>-</u>	<u>(5,996)</u>	<u>(5,058)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,242</u>	<u>-</u>	<u>1,242</u>	<u>903</u>
NET ASSETS		<u>1,242</u>	<u>-</u>	<u>1,242</u>	<u>903</u>
FUNDS	9				
Unrestricted funds				1,242	903
TOTAL FUNDS				<u>1,242</u>	<u>903</u>

The notes form part of these financial statements

Gan Menachem Hendon Ltd

Balance Sheet - continued

At 31 August 2017

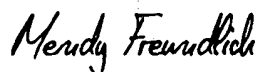
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

The financial statements were approved by the Board of Trustees on 26 September 2017 and were signed on its behalf by:



Mr M M Freundlich -Trustee

The notes form part of these financial statements

Gan Menachem Hendon Ltd

Notes to the Financial Statements
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, 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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Taxation

The charity is exempt from corporation 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. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.17	31.8.16
	£	£
Depreciation - owned assets	<u>2,711</u>	<u>1,988</u>

Gan Menachem Hendon Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2017 nor for the year ended 31 August 2016.

In the year the charity paid fees of £3,366 (2016 - £3,191) for bookkeeping and supporting services to DAS Accounting Services Ltd, a company controlled by Mr P Davidoff, a trustee of the charity. The charity considered the Charity Commission's guidance on payments to trustees and are satisfied the amounts paid are at arms length and in the best interest of the charity.

Trustees' expenses

4. STAFF COSTS

The average monthly number of employees during the year was as follows:

	31.8.17	31.8.16
Support staff	24	22
Admin staff	2	2
	<u>26</u>	<u>24</u>

No employees received emoluments in excess of £60,000.

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	28,447	-	28,447
Charitable activities			
Charitable activities	395,828	-	395,828
Total	<u>424,275</u>	<u>-</u>	<u>424,275</u>
 EXPENDITURE ON			
Charitable activities			
Charitable activities	425,758	-	425,758
Total	<u>425,758</u>	<u>-</u>	<u>425,758</u>
 NET INCOME/(EXPENDITURE)	<u>(1,483)</u>	<u>-</u>	<u>(1,483)</u>

Gan Menachem Hendon Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	2,386	-	2,386
TOTAL FUNDS CARRIED FORWARD	<u>903</u>	<u>-</u>	<u>903</u>

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2016	3,000	11,264	14,264
Additions	-	4,371	4,371
Disposals	(681)	-	(681)
At 31 August 2017	<u>2,319</u>	<u>15,635</u>	<u>17,954</u>
DEPRECIATION			
At 1 September 2016	1,313	6,990	8,303
Charge for year	326	2,385	2,711
Eliminated on disposal	(298)	-	(298)
At 31 August 2017	<u>1,341</u>	<u>9,375</u>	<u>10,716</u>
NET BOOK VALUE			
At 31 August 2017	<u>978</u>	<u>6,260</u>	<u>7,238</u>
At 31 August 2016	<u>1,687</u>	<u>4,274</u>	<u>5,961</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	-	31,817	31,816
		£	£
Trade debtors		<u>130,228</u>	<u>285,384</u>

Gan Menachem Hendon Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Social security and other taxes	3,158	1,595
Other creditors	24,888	13,982
Accruals and deferred income	109,300	281,598
Accrued expenses	9,208	10,683
	<u>146,554</u>	<u>307,858</u>

9. MOVEMENT IN FUNDS

	At 1.9.16	Net movement in funds	At 31.8.17
	£	£	£
Unrestricted funds			
General fund	903	339	1,242
	<u>903</u>	<u>339</u>	<u>1,242</u>
TOTAL FUNDS	<u>903</u>	<u>339</u>	<u>1,242</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	434,953	(434,614)	339
	<u>434,953</u>	<u>(434,614)</u>	<u>339</u>
TOTAL FUNDS	<u>434,953</u>	<u>(434,614)</u>	<u>339</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.

Gan Menachem Hendon Ltd

Detailed Statement of Financial Activities
for the Year Ended 31 August 2017

	31.8.17 £	31.8.16 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	2,711	1,883
Grants	24,613	26,564
	<hr/> 27,324	<hr/> 28,447
Charitable activities		
School fees income	320,046	290,987
Other fees income	112	1,133
Grants	87,471	103,708
	<hr/> 407,629	<hr/> 395,828
Total incoming resources	<hr/> 434,953	<hr/> 424,275
EXPENDITURE		
Charitable activities		
Wages	303,922	290,827
Social security	9,744	10,917
Rent and rates	18,480	20,080
Telephone	1,076	1,172
Advertising	120	220
Educational supplies	36,989	43,068
Repairs and maintenance	1,039	2,198
Bursaries paid	6,493	11,825
Security	26,312	27,426
Pension costs	468	-
Bad debts	6,800	7,011
	<hr/> 411,443	<hr/> 414,744
Support costs		
Management		
Postage and stationery	1,254	1,053
Fixtures and fittings	326	563
Computer equipment	2,087	1,425
	<hr/> 3,667	<hr/> 3,041
Finance		
Bank charges	238	380
Other		
Insurance	970	970

This page does not form part of the statutory financial statements

Gan Menachem Hendon Ltd

Detailed Statement of Financial Activities
for the Year Ended 31 August 2017

	31.8.17 £	31.8.16 £
Governance costs		
Professional fees	4,248	3,432
Accountancy fees	3,366	3,191
Legal fees	10,682	-
	<u>18,296</u>	<u>6,623</u>
Total resources expended	434,614	425,758
	<u> </u>	<u> </u>
Net income/(expenditure)	<u>339</u>	<u>(1,483)</u>

This page does not form part of the statutory financial statements