

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
MERCAZ HATORAH NETZACH YISROEL**

Joseph Kahan Associates LLP  
Chartered Accountants  
923 Finchley Road  
London  
NW11 7PE

**MERCAZ HATORAH NETZACH YISROEL**  
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**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The trustees present their report with the financial statements of the charity for the year ended 31 December 2019. 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 2019).

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The objectives are as follows:-

To advance the orthodox jewish faith in such ways as the Charity Trustees think fit, including by awarding scholarships, maintenance allowances or grants to students to enable them to pursue further studies at an Institute of Advanced Jewish Studies.

### **Public benefit**

The trustees have considered the Charity Commission's general guidance on public benefit in deciding what activities the charity should undertake.

As stated on the 'Objectives and Activities' section, the charity provides education and supports poverty and illness amongst members of the Jewish faith.

The trustee consider that the activities explained above, satisfy the public benefit requirement.

## **FINANCIAL REVIEW**

The statement of financial activities show net incoming resources for the year of a revenue nature of £983,921 (2018 - £955,758) and net realised outgoing resources of £981,276 (2018 - £969,137) resulting in a surplus of £2,645 (2018 - deficit of £13,379). The total reserves at the year end are £2,857 (2018 - £211).

## **FUTURE PLANS**

The need for our services is increasing and we plan to continue doing what we can to assist. However, the trustees realise that we must use the resources we have wisely and so we will continue to target those problems where we have expertise to make the most difference. We therefore intend to continue our approach of education and training with further projects to build on the previous ones.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

### **Organisational structure**

The trust is an unincorporated trust, constituted under a Trust Deed dated 1 September 2014 as amended by deed dated 2 April 2015. The trustees are appointed by the Board of Trustees, who would normally appoint new trustees to fill vacancies arising through resignation or death of an existing trustee. At the Trustees' meeting, the trustees agree the broad strategy and areas of activity for the trust, including consideration of risk management policies and performance.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Charity number**

1161222

### **Principal address**

Flat 7 Shmuel House  
87 Harmony Close  
Temple Fortune  
London  
NW11 0BF

MERCAZ HATORAH NETZACH YISROEL

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Trustees**

D Markovic

M Strom

Z Wanderer

**Independent Examiner**

Akiva Kahan

FCA

Joseph Kahan Associates LLP

Chartered Accountants

923 Finchley Road

London

NW11 7PE

Approved by order of the board of trustees on 28 October 2020 and signed on its behalf by:

M Strom - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
MERCZAH HATORAH NETZACH YISROEL**

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**Independent examiner's report to the trustees of Mercaz Hatorah Netzach Yisroel**

I report to the charity trustees on my examination of the accounts of Mercaz Hatorah Netzach Yisroel (the Trust) for the year ended 31 December 2019.

**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 Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

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

1. accounting records were not kept in respect of the 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.

Akiva Kahan  
FCA  
Joseph Kahan Associates LLP  
Chartered Accountants  
923 Finchley Road  
London  
NW11 7PE

Date:           October 2020

MERCAZ HATORAH NETZACH YISROEL

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 Unrestricted fund £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	2	983,921	955,758
<b>EXPENDITURE ON</b>			
Raising funds	3	15,242	58,543
<b>Charitable activities</b>	4		
Student Grants		956,384	899,916
Advertising		6,240	7,755
Administrative expenses		533	1,007
Accountancy		700	700
Study books and reference materials		2,177	1,216
<b>Total</b>		981,276	969,137
<b>NET INCOME/(EXPENDITURE)</b>		2,645	(13,379)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		212	13,591
<b>TOTAL FUNDS CARRIED FORWARD</b>		2,857	212

The notes form part of these financial statements

MERCAZ HATORAH NETZACH YISROEL

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2019

	Notes	2019 Unrestricted fund £	2018 Total funds £
<b>CURRENT ASSETS</b>			
Cash at bank		3,557	912
<b>CREDITORS</b>			
Amounts falling due within one year	9	(700)	(700)
<b>NET CURRENT ASSETS</b>		<u>2,857</u>	<u>212</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,857</u>	<u>212</u>
<b>NET ASSETS</b>		<u>2,857</u>	<u>212</u>
<b>FUNDS</b>	10		
Unrestricted funds		<u>2,857</u>	<u>212</u>
<b>TOTAL FUNDS</b>		<u>2,857</u>	<u>212</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 October 2020 and were signed on its behalf by:

M Strom - Trustee

The notes form part of these financial statements

MERCAZ HATORAH NETZACH YISROEL

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,645	(12,979)
Net cash provided by/(used in) operating activities		2,645	(12,979)
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		912	13,891
Cash and cash equivalents at the end of the reporting period		3,557	912

The notes form part of these financial statements



MERCAZ HATORAH NETZACH YISROEL

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	2,645	(13,379)
<b>Adjustments for:</b>		
Increase in creditors	-	400
<b>Net cash provided by/(used in) operations</b>	<u>2,645</u>	<u>(12,979)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 31.12.19 £
<b>Net cash</b>			
Cash at bank	912	2,645	3,557
	<u>912</u>	<u>2,645</u>	<u>3,557</u>
<b>Total</b>	<u>912</u>	<u>2,645</u>	<u>3,557</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charity, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. 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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Taxation**

The charity is exempt from 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. DONATIONS AND LEGACIES**

	2019	2018
	£	£
Donations	983,921	955,758

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**3. RAISING FUNDS****Raising donations and legacies**

	2019	2018
	£	£
Fund raising events	15,242	58,543
	<u>15,242</u>	<u>58,543</u>

**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Grant funding of activities (see note 5) £	Support costs (see note 6) £	Totals £
Student Grants	-	956,384	-	956,384
Advertising	6,240	-	-	6,240
Administrative expenses	1,233	(700)	-	533
Accountancy	-	-	700	700
Study books and reference materials	2,177	-	-	2,177
	<u>9,650</u>	<u>955,684</u>	<u>700</u>	<u>966,034</u>

**5. GRANTS PAYABLE**

	2019	2018
	£	£
Student Grants	956,384	899,916
Administrative expenses	(700)	-
	<u>955,684</u>	<u>899,916</u>

**6. SUPPORT COSTS**

	Governance costs £
Accountancy	700
	<u>700</u>

**7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	955,758
 <b>EXPENDITURE ON</b>	
Raising funds	58,543
<b>Charitable activities</b>	
Student Grants	899,916
Advertising	7,755
Administrative expenses	1,007
Accountancy	700
Study books and reference materials	1,216
 <b>Total</b>	969,137
 <b>NET INCOME/(EXPENDITURE)</b>	(13,379)
 <b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	13,591
 <b>TOTAL FUNDS CARRIED FORWARD</b>	212

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Other creditors	700	700
	700	700

**10. MOVEMENT IN FUNDS**

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
<b>Unrestricted funds</b>			
General fund	212	2,645	2,857
 <b>TOTAL FUNDS</b>	212	2,645	2,857

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	983,921	(981,276)	2,645
<b>TOTAL FUNDS</b>	<u>983,921</u>	<u>(981,276)</u>	<u>2,645</u>

**Comparatives for movement in funds**

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
<b>Unrestricted funds</b>			
General fund	13,591	(13,379)	212
<b>TOTAL FUNDS</b>	<u>13,591</u>	<u>(13,379)</u>	<u>212</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	955,758	(969,137)	(13,379)
<b>TOTAL FUNDS</b>	<u>955,758</u>	<u>(969,137)</u>	<u>(13,379)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	At 31.12.19 £
<b>Unrestricted funds</b>			
General fund	13,591	(10,734)	2,857
<b>TOTAL FUNDS</b>	<u>13,591</u>	<u>(10,734)</u>	<u>2,857</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,939,679	(1,950,413)	(10,734)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u>1,939,679</u>	<u>(1,950,413)</u>	<u>(10,734)</u>

**11. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2019.

**12. EVENTS AFTER THE REPORTING DATE**

The consequences of the Covid-19 outbreak have adversely affected the charity's income and therefore its operating results have been negatively impacted. This is not expected to affect the charity's ability to continue as a going concern for the next twelve months but a reduction in donations is viewed as being inevitable.

MERCAZ HATORAH NETZACH YISROEL

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	983,921	955,758
<b>Total incoming resources</b>	983,921	955,758
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Fund raising events	15,242	58,543
<b>Charitable activities</b>		
Postage and stationery	1,233	1,007
Advertising	6,240	7,755
Study books and reference materials	2,177	1,216
Student grants	955,684	899,916
	965,334	909,894
<b>Support costs</b>		
<b>Governance costs</b>		
Accountancy and legal fees	700	700
Total resources expended	981,276	969,137
<b>Net income/(expenditure)</b>	2,645	(13,379)

This page does not form part of the statutory financial statements