

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2020  
for  
The Talmud Torah Machzikei Hadass Trust**

Martin+Heller  
Statutory Auditors  
5 North End Road  
London  
NW11 7RJ

**The Talmud Torah Machzikei Hadass Trust**

**Contents of the Financial Statements  
for the Year Ended 31 March 2020**

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**Report of the Trustees  
for the Year Ended 31 March 2020**

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The trustees present their report with the financial statements of the charity for the year ended 31 March 2020. 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 charity was formed for the advancement of orthodox Jewish religious education, and the promotion of the orthodox Jewish religion in any part of the world. To this end the charity has made various grants in the year under review.

**Public benefit**

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

**ACHIEVEMENT AND PERFORMANCE**

During the year the charity continued to raise funds, and apply the funds in furtherance of its objectives. The new school building has been completed since the balance sheet date and is now in occupation.

**FINANCIAL REVIEW**

During the year, the charity's incoming resources exceeded the outgoing resources. The trustees are satisfied with the results for the year. The trustees do not seek to maintain reserves, other than to ensure that they can continue the activities of the charity.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is constituted and governed by a Trust Deed dated 12 July 1975. The charity is managed and controlled by the trustees, who meet regularly

**Recruitment, Induction and Training:**

It is not the intention of the trustees of the charity to appoint any new trustees. Should the situation change in the future, the trustees will apply suitable recruitment induction and training procedures.

**Risk management**

The trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The trustees are satisfied that these systems and procedures mitigate any perceived risks.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

270693

**Principal address**

34 Heathland Road  
London  
N16 5LZ

**Trustees**

J Baumgarten  
Y M Sternlicht  
M J Wind

**Auditors**

Martin+Heller  
Statutory Auditors  
5 North End Road  
London  
NW11 7RJ

**Report of the Trustees  
for the Year Ended 31 March 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity 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 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
J Baumgarten - Trustee

## **Report of the Independent Auditors to the Trustees of The Talmud Torah Machzikei Hadass Trust**

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### **Opinion**

We have audited the financial statements of The Talmud Torah Machzikei Hadass Trust (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 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 Charities Act 2011.

### **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 Auditors' 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 financial statements 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

### **Matters on which we are required to report by exception**

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

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

## **Report of the Independent Auditors to the Trustees of The Talmud Torah Machzikei Hadass Trust**

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### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 a Report of the Independent Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **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.

Martin+Heller  
Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
5 North End Road  
London  
NW11 7RJ

Date: .....

**The Talmud Torah Machzikei Hadass Trust**

**Statement of Financial Activities  
for the Year Ended 31 March 2020**

		31.3.20 Unrestricted fund £	31.3.19 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	1,049,306	2,048,266
Investment income	3	507,887	400,002
<b>Total</b>		1,557,193	2,448,268
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>	4		
Donations		1,135,856	97,322
Other		346,497	199,416
<b>Total</b>		1,482,353	296,738
<b>NET INCOME</b>		74,840	2,151,530
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		14,839,480	12,687,950
<b>TOTAL FUNDS CARRIED FORWARD</b>		14,914,320	14,839,480

The notes form part of these financial statements

**The Talmud Torah Machzikei Hadass Trust**

**Balance Sheet  
31 March 2020**

	Notes	31.3.20 Unrestricted fund £	31.3.19 Total funds £
<b>FIXED ASSETS</b>			
Investment property	9	23,044,503	21,861,362
<b>CURRENT ASSETS</b>			
Debtors	10	96,863	-
Cash at bank		25,079	25,384
		<u>121,942</u>	<u>25,384</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(1,020,982)	(2,454,014)
<b>NET CURRENT ASSETS</b>		<u>(899,040)</u>	<u>(2,428,630)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		22,145,463	19,432,732
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(7,231,143)	(4,593,252)
<b>NET ASSETS</b>		<u>14,914,320</u>	<u>14,839,480</u>
<b>FUNDS</b>	14		
Unrestricted funds		14,914,320	14,839,480
<b>TOTAL FUNDS</b>		<u>14,914,320</u>	<u>14,839,480</u>

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

.....  
J Baumgarten - Trustee



**The Talmud Torah Machzikei Hadass Trust**

**Cash Flow Statement  
for the Year Ended 31 March 2020**

	Notes	31.3.20 £	31.3.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(1,330,799 )	2,813,349
Interest paid		(309,240 )	(196,083 )
Net cash (used in)/provided by operating activities		(1,640,039 )	2,617,266
<b>Cash flows from investing activities</b>			
Purchase of investment property		(1,183,141 )	(2,741,710 )
Interest received		52	2
Net cash used in investing activities		(1,183,089 )	(2,741,708 )
<b>Cash flows from financing activities</b>			
New loans in year		2,951,813	-
Loan repayments in year		(128,990 )	145,850
Net cash provided by financing activities		2,822,823	145,850
<b>Change in cash and cash equivalents in the reporting period</b>		(305)	21,408
<b>Cash and cash equivalents at the beginning of the reporting period</b>		25,384	3,976
<b>Cash and cash equivalents at the end of the reporting period</b>		25,079	25,384

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.20 £	31.3.19 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	74,840	2,151,530
<b>Adjustments for:</b>		
Interest received	(52)	(2)
Interest paid	309,240	196,083
Increase in debtors	(96,863)	-
(Decrease)/increase in creditors	(1,617,964)	465,738
<b>Net cash (used in)/provided by operations</b>	<u>(1,330,799)</u>	<u>2,813,349</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/19 £	Cash flow £	At 31/3/20 £
<b>Net cash</b>			
Cash at bank	25,384	(305)	25,079
	<u>25,384</u>	<u>(305)</u>	<u>25,079</u>
<b>Debt</b>			
Debts falling due within 1 year	(284,400)	(184,932)	(469,332)
Debts falling due after 1 year	(4,593,252)	(2,637,891)	(7,231,143)
	<u>(4,877,652)</u>	<u>(2,822,823)</u>	<u>(7,700,475)</u>
<b>Total</b>	<u>(4,852,268)</u>	<u>(2,823,128)</u>	<u>(7,675,396)</u>

## 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.

### Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

### 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

	31.3.20	31.3.19
	£	£
Donations	1,049,306	2,048,266

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

3. INVESTMENT INCOME

	31.3.20	31.3.19
	£	£
Rents received	507,835	400,000
Deposit account interest	52	2
	<u>507,887</u>	<u>400,002</u>

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5) £
Donations	<u>1,135,856</u>

5. GRANTS PAYABLE

	31.3.20	31.3.19
	£	£
Donations	<u>1,135,856</u>	<u>97,322</u>
Cosmon Belz		50,549
Moreshet Hatorah Ltd		1,076,009
Others		9,298
		<u>1,135,856</u>

6. SUPPORT COSTS

	Governance costs £
Other resources expended	<u>346,497</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

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

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	2,048,266
Investment income	400,002
<b>Total</b>	<b>2,448,268</b>
<b>EXPENDITURE ON</b>	
<b>Charitable activities</b>	
Donations	97,322
Other	199,416
<b>Total</b>	<b>296,738</b>
<b>NET INCOME</b>	<b>2,151,530</b>
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	<b>12,687,950</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>14,839,480</b>

**9. INVESTMENT PROPERTY**

	£
<b>FAIR VALUE</b>	
At 1 April 2019	21,981,362
Additions	1,183,141
At 31 March 2020	23,164,503
<b>AMORTISATION</b>	
At 1 April 2019 and 31 March 2020	120,000
<b>NET BOOK VALUE</b>	
At 31 March 2020	23,044,503
At 31 March 2019	21,861,362

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Prepayments and accrued income	96,863	-

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

	31.3.20	31.3.19
	£	£
Bank loans and overdrafts (see note 13)	469,332	284,400
Trade creditors	-	25,787
Other creditors	551,650	2,143,827
	<u>1,020,982</u>	<u>2,454,014</u>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.20	31.3.19
	£	£
Bank loans (see note 13)	<u>7,231,143</u>	<u>4,593,252</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	31.3.20	31.3.19
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>469,332</u>	<u>284,400</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>469,332</u>	<u>284,400</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,407,996</u>	<u>853,200</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	5,353,815	3,455,652

**14. MOVEMENT IN FUNDS**

	At 1/4/19	Net movement in funds	At 31/3/20
	£	£	£
<b>Unrestricted funds</b>			
General fund	14,839,480	74,840	14,914,320
<b>TOTAL FUNDS</b>	<u>14,839,480</u>	<u>74,840</u>	<u>14,914,320</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

14. 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	1,557,193	(1,482,353)	74,840
<b>TOTAL FUNDS</b>	<u>1,557,193</u>	<u>(1,482,353)</u>	<u>74,840</u>

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	At 31/3/19 £
<b>Unrestricted funds</b>			
General fund	12,687,950	2,151,530	14,839,480
<b>TOTAL FUNDS</b>	<u>12,687,950</u>	<u>2,151,530</u>	<u>14,839,480</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	2,448,268	(296,738)	2,151,530
<b>TOTAL FUNDS</b>	<u>2,448,268</u>	<u>(296,738)</u>	<u>2,151,530</u>

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

	At 1/4/18 £	Net movement in funds £	At 31/3/20 £
<b>Unrestricted funds</b>			
General fund	12,687,950	2,226,370	14,914,320
<b>TOTAL FUNDS</b>	<u>12,687,950</u>	<u>2,226,370</u>	<u>14,914,320</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**14. 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	4,005,461	(1,779,091 )	2,226,370
<b>TOTAL FUNDS</b>	<u>4,005,461</u>	<u>(1,779,091 )</u>	<u>2,226,370</u>

**15. RELATED PARTY DISCLOSURES**

Donations made by the charity include the following amounts which were donated to charities which have trustees in common with The Talmud Torah Machzikei Hadass Trust:

Moreshet Hatorah Ltd	1,076,009
Cosmon (Belz) Ltd	50,549



**The Talmud Torah Machzikei Hadass Trust**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2020**

	31.3.20 £	31.3.19 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	1,049,306	2,048,266
<b>Investment income</b>		
Rents received	507,835	400,000
Deposit account interest	52	2
	<u>507,887</u>	<u>400,002</u>
<b>Total incoming resources</b>	<b>1,557,193</b>	<b>2,448,268</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Grants to institutions	1,135,856	97,322
<b>Support costs</b>		
<b>Governance costs</b>		
Auditors' remuneration	2,400	2,400
Legal and professional fees	20,857	250
Sundries	14,000	683
Bank charges	1,475	795
Bank loan interest	269,403	176,318
Finance fees	38,362	18,970
	<u>346,497</u>	<u>199,416</u>
<b>Total resources expended</b>	<b>1,482,353</b>	<b>296,738</b>
<b>Net income</b>	<b><u>74,840</u></b>	<b><u>2,151,530</u></b>