

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2019  
for  
The Talmud Torah Machzikei Hadass Trust**

Martin+Heller  
Chartered Accountants &  
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 2019**

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	Page
Report of the Trustees	1 to 2
Report of the Independent Auditors	3 to 4
Statement of Financial Activities	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	9 to 14
Detailed Statement of Financial Activities	15

# **The Talmud Torah Machzikei Hadass Trust**

## **Report of the Trustees for the Year Ended 31 March 2019**

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The trustees present their report with the financial statements of the charity for the year ended 31 March 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 2015).

### **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  
J Moskowitz  
Y M Sternlicht

#### **Auditors**

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

**Report of the Trustees  
for the Year Ended 31 March 2019**

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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 29 January 2020 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 2019 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 2019 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 Act 2011 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.

### **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.

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

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### **Responsibilities of trustees**

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**

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 Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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  
Chartered Accountants &  
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

29 January 2020

**The Talmud Torah Machzikei Hadass Trust**

**Statement of Financial Activities  
for the Year Ended 31 March 2019**

		31.3.19 Unrestricted fund £	31.3.18 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	2,048,266	3,140,661
Investment income	3	400,002	55,635
<b>Total</b>		2,448,268	3,196,296
<b>EXPENDITURE ON</b>			
Raising funds	4	-	4,200
<b>Charitable activities</b>	5		
Donations		97,322	940,609
Other		199,416	262,954
<b>Total</b>		296,738	1,207,763
<b>NET INCOME</b>		2,151,530	1,988,533
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		12,687,950	10,699,417
<b>TOTAL FUNDS CARRIED FORWARD</b>		14,839,480	12,687,950

The notes form part of these financial statements

**The Talmud Torah Machzikei Hadass Trust**

**Balance Sheet  
At 31 March 2019**

		31.3.19 Unrestricted fund £	31.3.18 Total funds £
	Notes		
<b>FIXED ASSETS</b>			
Investment property	10	21,861,362	19,119,652
<b>CURRENT ASSETS</b>			
Cash at bank		25,384	3,976
<b>CREDITORS</b>			
Amounts falling due within one year	11	(2,454,014)	(1,988,276)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(2,428,630)</u>	<u>(1,984,300)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,432,732	17,135,352
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(4,593,252)	(4,447,402)
<b>NET ASSETS</b>		<u>14,839,480</u>	<u>12,687,950</u>
<b>FUNDS</b>	14		
Unrestricted funds		14,839,480	12,687,950
<b>TOTAL FUNDS</b>		<u>14,839,480</u>	<u>12,687,950</u>

The financial statements were approved by the Board of Trustees on 29 January 2020 and were signed on its behalf by:

J Baumgarten -Trustee

The notes form part of these financial statements



**The Talmud Torah Machzikei Hadass Trust**

**Cash Flow Statement  
for the Year Ended 31 March 2019**

		31.3.19 £	31.3.18 £
	Notes		
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	2,813,349	3,072,794
Interest paid		(196,083)	(254,307)
<b>Net cash provided by (used in) operating activities</b>		<u>2,617,266</u>	<u>2,818,487</u>
<b>Cash flows from investing activities:</b>			
Purchase of investment property		(2,741,710)	(4,119,652)
Interest received		2	1
<b>Net cash provided by (used in) investing activities</b>		<u>(2,741,708)</u>	<u>(4,119,651)</u>
<b>Cash flows from financing activities:</b>			
New loans in year		-	1,145,404
Loan repayments in year		145,850	-
<b>Net cash provided by (used in) financing activities</b>		<u>145,850</u>	<u>1,145,404</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>21,408</u>	<u>(155,760)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>3,976</u>	<u>159,736</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>25,384</u></u>	<u><u>3,976</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2019

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

	31.3.19 £	31.3.18 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	2,151,530	1,988,533
<b>Adjustments for:</b>		
Interest received	(2)	(1)
Interest paid	196,083	254,307
Decrease in debtors	-	9,234
Increase in creditors	465,738	820,721
<b>Net cash provided by (used in) operating activities</b>	<u>2,813,349</u>	<u>3,072,794</u>

**Notes to the Financial Statements  
for the Year Ended 31 March 2019**

**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 2015)', 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 market value is transferred to a revaluation reserve.

**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**

	31.3.19	31.3.18
	£	£
Donations	2,048,266	3,140,661

**3. INVESTMENT INCOME**

	31.3.19	31.3.18
	£	£
Rents received	400,000	55,634
Deposit account interest	2	1
	<u>400,002</u>	<u>55,635</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

4. RAISING FUNDS

Raising donations and legacies

	31.3.19	31.3.18
	£	£
Printing	-	4,200
	<u>          </u>	<u>          </u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 6)	Totals
	£	£
Donations	97,322	97,322
	<u>          </u>	<u>          </u>

6. GRANTS PAYABLE

	31.3.19	31.3.18
	£	£
Donations	97,322	940,609
	<u>          </u>	<u>          </u>
Dover Sholem Community Trust		43,600
Cosmon Belz		10,000
Belz Foundation		10,000
Belz Adnei Kodesh		11,000
Others		22,722
		<u>          </u>
		97,322
		<u>          </u>

7. SUPPORT COSTS

	Governance costs
	£
Other resources expended	199,416
	<u>          </u>

8. TRUSTEES' REMUNERATION AND BENEFITS

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

**Trustees' expenses**

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

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	3,140,661
Investment income	55,635
<b>Total</b>	3,196,296
<b>EXPENDITURE ON</b>	
Raising funds	4,200
<b>Charitable activities</b>	
Donations	940,609
Other	262,954
<b>Total</b>	1,207,763
<b>NET INCOME</b>	1,988,533
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	10,699,417
<b>TOTAL FUNDS CARRIED FORWARD</b>	12,687,950

10. INVESTMENT PROPERTY

	£
<b>MARKET VALUE</b>	
At 1 April 2018	19,239,652
Additions	2,741,710
At 31 March 2019	21,981,362
<b>AMORTISATION</b>	
At 1 April 2018 and 31 March 2019	120,000
<b>NET BOOK VALUE</b>	
At 31 March 2019	21,861,362
At 31 March 2018	19,119,652

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

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

	31.3.19 £	31.3.18 £
Bank loans and overdrafts (see note 13)	284,400	284,400
Trade creditors	25,787	148,555
Other creditors	2,143,827	1,555,321
	<u>2,454,014</u>	<u>1,988,276</u>

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

	31.3.19 £	31.3.18 £
Bank loans (see note 13)	<u>4,593,252</u>	<u>4,447,402</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	31.3.19 £	31.3.18 £
Amounts falling due within one year on demand:		
Bank loans	<u>284,400</u>	<u>284,400</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>284,400</u>	<u>284,400</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>853,200</u>	<u>853,200</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>3,455,652</u>	<u>3,309,802</u>

**14. 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>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

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	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>

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	At 31/3/18 £
<b>Unrestricted Funds</b>			
General fund	10,699,417	1,988,533	12,687,950
<b>TOTAL FUNDS</b>	<u>10,699,417</u>	<u>1,988,533</u>	<u>12,687,950</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	3,196,296	(1,207,763)	1,988,533
<b>TOTAL FUNDS</b>	<u>3,196,296</u>	<u>(1,207,763)</u>	<u>1,988,533</u>

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

	At 1/4/17 £	Net movement in funds £	At 31/3/19 £
<b>Unrestricted funds</b>			
General fund	10,699,417	4,140,063	14,839,480
<b>TOTAL FUNDS</b>	<u>10,699,417</u>	<u>4,140,063</u>	<u>14,839,480</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2019

**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	5,644,564	(1,504,501 )	4,140,063
<b>TOTAL FUNDS</b>	<u>5,644,564</u>	<u>(1,504,501 )</u>	<u>4,140,063</u>

**15. RELATED PARTY DISCLOSURES**

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



**The Talmud Torah Machzikei Hadass Trust**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2019**

	31.3.19 £	31.3.18 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	2,048,266	3,140,661
<b>Investment income</b>		
Rents received	400,000	55,634
Deposit account interest	2	1
	<u>400,002</u>	<u>55,635</u>
<b>Total incoming resources</b>	2,448,268	3,196,296
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Printing	-	4,200
<b>Charitable activities</b>		
Grants to institutions	97,322	940,609
<b>Support costs</b>		
<b>Governance costs</b>		
Auditors' remuneration	2,400	2,400
Legal and professional fees	250	6,247
Sundries	683	-
Bank charges	795	606
Bank loan interest	176,318	164,376
Finance fees	18,970	89,325
	<u>199,416</u>	<u>262,954</u>
<b>Total resources expended</b>	296,738	1,207,763
<b>Net income</b>	<u><u>2,151,530</u></u>	<u><u>1,988,533</u></u>

This page does not form part of the statutory financial statements