

Aish HaTorah Yeshiva (Registered NPO)

Consolidated Financial Statements

as of December 31, 2020

Aish HaTorah Yeshiva (Registered NPO)

Consolidated Financial Statements

as of December 31, 2020

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AUDITORS' REPORT TO THE MEMBERS OF

Aish HaTorah Yeshiva (NPO)

We have audited the attached consolidated statements of financial position of Aish HaTorah Yeshiva - registered NPO (hereinafter: "**the Amuta**") as of December 31, 2020 and 2019, the statements of activities, the statements of changes in the net assets, and the statements of cash flows, for each one of the years ending on these dates. These financial statements are the responsibility of the Amuta's board and management. Our responsibility is to express our opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Generally Accepted Auditing Standards in Israel, including standards prescribed by the Auditor's Regulations (Auditors' Mode of performance -1973). According to these standards, we are required to plan and implement the audit to obtain reasonable assurance that there is no material misstatement. The audit includes sample examination of the evidence supporting the amounts and the information in the financial statements. The audit also includes examination of the accounting principles applied and the significant estimates made by the Amuta's board and management as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The above mentioned financial statements are presented in historical nominal values and not presented in reported amounts, this contrary to the Accounting Standard 12 of the Israeli Accounting Standards Board.

In our opinion, except for the aforesaid with regard to the basis of presentation of the financial statements, in reported amounts as mentioned above, the aforementioned financial statements present fairly in all material aspects, the Amuta's financial position as of December 31, 2020 and 2019, and the results of its operations, the changes in its net assets and the cash flows of the Amuta and its subsidiary, for the years ending on these dates, in accordance with Generally Accepted Accounting Principles in Israel (Israeli GAAP).

Jerusalem, October 5, 2021



Ziv Haft

Certified Public Accountants (Isr.)

Aish HaTorah Yeshiva (Registered NPO)

Statements of Financial Position

(In thousands NIS)

		Consolidated		Amuta	
	Note	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Current assets:					
Cash and cash equivalents	3	581	832	148	103
Accounts receivable		154	654	154	654
Debtors and debit balances	4	3,870	7,372	3,861	7,362
		4,605	8,858	4,163	8,119
Non-current assets:					
Loan and investment in a subsidiary under the equity method	5	-	-	6,567	6,603
Fixed assets	6	68,104	70,389	61,979	64,525
		68,104	70,389	68,546	71,128
		72,709	79,247	72,709	79,247
Current liabilities:					
Bank loans and other lines of credit	7	2,752	3,241	2,752	3,241
Suppliers and service providers	8	2,963	2,486	2,963	2,486
Creditors and credit balances	9	4,681	4,532	4,681	4,532
		10,396	10,259	10,396	10,259
Long-term liabilities:					
Provision for severance pay, net	10	6,056	8,348	6,056	8,348
Bank loans	11	8,901	8,482	8,901	8,482
		14,957	16,830	14,957	16,830
Unrestricted net assets:					
Used for activities)12,065()8,527()5,940()2,663(
Used for fixed assets		59,421	60,685	53,296	54,821
		47,356	52,158	47,356	52,158
		72,709	79,247	72,709	79,247

The accompanying notes are an integral part of the financial statements

October 5, 2021

Date of approving the financial statements


Stuart Hytman
Committee Member


Louis Mayberg
Committee Member

Aish HaTorah Yeshiva (Registered NPO)

Statements of Activities

(In thousands NIS)

	Note/ Schedule	Consolidated		Amuta	
		For the year ended			
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Operating turnover:					
Donations	C	16,180	23,089	16,180	23,089
Governmental support		1,256	2,212	1,256	2,212
Tuition		6,483	6,787	6,483	6,787
Participation in activities and others		643	4,470	643	4,470
Facility usage and rental of buildings		80	380	80	380
		24,642	36,938	24,642	36,938
Cost of activities	A	24,380	36,988	24,380	36,988
Net income (expense) from activities		262	(50)	262	(50)
General and administrative expenses	B	4,248	4,166	4,242	4,159
Net expenses before financial expense		(3,986)	(4,216)	(3,980)	(4,209)
Financial expenses, net	12	816	696	891	771
Net expenses before other expenses		(4,802)	(4,912)	(4,871)	(4,980)
The Amuta's share in subsidiary's surplus		-	-	69	68
Net loss for the year		(4,802)	(4,912)	(4,802)	(4,912)

The accompanying notes are an integral part of the financial statements

Aish HaTorah Yeshiva (Registered NPO)

Statements of Changes in Net Assets - Consolidated

(In thousands NIS)

	Unrestricted net assets		
	Used for activities	Used for fixed assets	Total
<u>Balance as of January 1, 2019</u>	(5,548)	62,618	57,070
Net loss for the year	(4,912)	-	(4,912)
Sums used to purchase fixed assets	(259)	259	-
Sums transferred to cover depreciation	3,145	(3,145)	-
Sums transferred for the purchase of fixed assets (*)	(867)	867	-
Sums used to purchase subsidiary's fixed assets	(86)	86	-
<u>Balance as of December 31, 2019</u>	<u>(8,527)</u>	<u>60,685</u>	<u>52,158</u>
Net loss for the year	(4,802)	-	(4,802)
Sums used to purchase fixed assets	(156)	156	-
Sums transferred to cover depreciation	2,702	(2,702)	-
Sums transferred for the purchase of fixed assets (*)	(1,021)	1,021	-
Sums used to purchase subsidiary's fixed assets	(261)	261	-
<u>Balance as of December 31, 2020</u>	<u>(12,065)</u>	<u>59,421</u>	<u>47,356</u>

(*) Sums used to repay mortgages for purchasing fixed assets.

The accompanying notes are an integral part of the financial statements

Aish HaTorah Yeshiva (Registered NPO)

Statements of Changes in Net Assets - Amuta

(In thousands NIS)

	Unrestricted net assets		
	Used for activities	Used for fixed assets	Total
<u>Balance as of January 1, 2019</u>	230	56,840	57,070
Net loss for the year	(4,912)	-	(4,912)
Sums transferred for the purchase of fixed assets	(259)	259	-
Sums transferred to cover depreciation	3,145	(3,145)	-
Sums transferred for the purchase of fixed assets (*)	(867)	867	-
<u>Balance as of December 31, 2019</u>	(2,663)	54,821	52,158
Net loss for the year	(4,802)	-	(4,802)
Sums transferred for the purchase of fixed assets	(156)	156	-
Sums transferred to cover depreciation	2,702	(2,702)	-
Sums transferred for the purchase of fixed assets (*)	(1,021)	1,021	-
<u>Balance as of December 31, 2020</u>	(5,940)	53,296	47,356

(*) Sums used to repay mortgages for the purpose of purchasing fixed assets.

The accompanying notes are an integral part of the financial statements

Aish HaTorah Yeshiva (Registered NPO)

Statements of Cash Flows

(In thousands NIS)

	Consolidated		Amuta	
	For the year ended			
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
<u>Cash flows from operating activities</u>				
Loss for the year	(4,802)	(4,912)	(4,802)	(4,912)
Adjustments required to present cash and cash equivalents from current activities - Appendix A	<u>5,022</u>	<u>3,331</u>	<u>5,057</u>	<u>3,398</u>
Net cash from (used in) operating activities	<u>220</u>	<u>(1,581)</u>	<u>255</u>	<u>(1,514)</u>
<u>Cash flow from investing activities</u>				
Purchase of fixed assets	<u>(417)</u>	<u>(345)</u>	<u>(156)</u>	<u>(259)</u>
Net cash used in investing activities	<u>(417)</u>	<u>(345)</u>	<u>(156)</u>	<u>(259)</u>
<u>Cash flow from financing activities</u>				
Bank loans and other lines of credit	(721)	1,920	(721)	1,920
Receipt of loans	2,863	3,712	2,863	3,712
Repayment of loans	<u>(2,196)</u>	<u>(4,988)</u>	<u>(2,196)</u>	<u>(4,988)</u>
Net cash from (used in) financing activities	<u>(54)</u>	<u>644</u>	<u>(54)</u>	<u>644</u>
<u>Increase (decrease) in cash and cash equivalents</u>	(251)	(1,282)	45	(1,129)
<u>Cash and cash equivalents balance at beginning of the year</u>	<u>832</u>	<u>2,114</u>	<u>103</u>	<u>1,232</u>
<u>Cash and cash equivalents balance at end of the year</u>	<u>581</u>	<u>832</u>	<u>148</u>	<u>103</u>

The accompanying notes are an integral part of the financial statements

Aish HaTorah Yeshiva (Registered NPO)

Statements of Cash Flows

(In thousands NIS)

Appendix A - Adjustments required to present cash and cash equivalents from operating activities

	Consolidated		Amuta	
	For the year ended			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Income and expense items that do not directly effect the cash flows:				
Depreciation of fixed assets	2,702	3,145	2,702	3,145
Increase (decrease) in provision for severance pay, net	(2,292)	165	(2,292)	165
Exchange rate effects on long term loans	(16)	(58)	(16)	(58)
The Amuta's share in subsidiary's surplus	-	-	(69)	(68)
	394	3,252	325	3,184
Changes in assets and liabilities				
Decrease in account receivables	500	507	500	507
Increase (decrease) in debtors and debit balances	3,502	(724)	3,501	(715)
Increase in suppliers and service providers	477	227	477	227
Increase in account payables	149	69	149	69
Revaluation of long-term investments	-	-	105	126
	4,628	79	4,732	214
	5,022	3,331	5,057	3,398

The accompanying notes are an integral part of the financial statements

Aish HaTorah Yeshiva (Registered NPO)

Cost of Operating Activities

(In thousands NIS)

Schedule A

	Consolidated		Amuta	
	For the year ended			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Salaries and related expenses	13,510	22,067	13,510	22,067
Scholarships and supports	1,363	1,512	1,363	1,512
Programing activities	1,342	1,951	1,342	1,951
Students' provisions	2,011	2,776	2,011	2,776
Rent and building maintenance	3,529	5,631	3,529	5,631
Depreciation	2,625	3,051	2,625	3,051
Total	24,380	36,988	24,380	36,988

The accompanying notes are an integral part of the financial statements

Aish HaTorah Yeshiva (Registered NPO)

General and Administrative Expenses

(In thousands NIS)

Schedule B

	Consolidated		Amuta	
	For the year ended			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Salaries and related expenses	2,791	3,101	2,791	3,101
Professional fees	624	139	619	133
Office expenses	115	25	115	25
Fundraising costs	118	99	118	99
Taxes and fees	3	32	2	31
Communications and mail	209	226	209	226
Office maintenance	148	308	148	308
Travel	13	17	13	17
Debts are provided	150	125	150	125
Depreciation	77	94	77	94
Total	4,248	4,166	4,242	4,159

Income from donations greater than 100 thousand NIS

(In thousands NIS)

Schedule C

	Amuta and Consolidated
	For the year ended
	31.12.2020
The Jerusalem Fund Inc.	5,765
Dan- Hytman Family Foundation	5,269
Aish Global Inc	3,558
Keren Ohr LaNoar B' Registered NPO	366
Israel Gives Ltd	154
Total donations greater than 100 thousand NIS	15,112
Others less than 100 thousand NIS	1,068
Total donations	16,180

The accompanying notes are an integral part of the financial statements

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

Note 1 - General

The Aish HaTorah Yeshiva (hereinafter: "**the Amuta**") was registered as a non-profit association on July 21, 1983 according to the Laws of Associations.

The Amuta operates a Yeshiva for Ba'aley Tshuvah as well as a Yeshivat Hesder, a program for married students (Kollel) and Jewish studies programs, such as Jewish history and trips for a Jewish familiarisation with Israel. Furthermore, it operates seminars and workshops to spread the awareness of Judaism, the distribution of Jewish literature and a website on Jewish themes - the largest of its kind in the world.

The Amuta has been classified as a public institution as in section 9(2) of the Israeli Income Tax Ordinance and as a non-profit association according to the Israeli V.A.T. law. The Amuta received status from the Israel Income Tax Authorities valid until 31.12.2022, under Article 46(a), such that contributions made to it entitle the contributor to certain tax credits as determined by law.

The Amuta has a subsidiary called Aish Kotel Events Ltd. (hereinafter: the "**subsidiary**") which is fully controlled by the Amuta. The subsidiary began its operations during 2013. The main objective of the subsidiary is to establish, develop and operate a museum to teach Jewish Heritage - see Notes 5 and 16.

Included within the books of the Amuta are transactions in both Canada and America. The account in Canada was opened and is run as a prescribed University outside of Canada, under the rules of the Canadian Revenue Agency (CRA) and the account in America is designated as a foreign not for profit 501c3 under the rules of the Internal Revenue Service (IRS). While these accounts are also under the jurisdiction of the local agencies, they are fully controlled by the Amuta and therefore all transactions are treated so accordingly.

Note 2 - Significant accounting policies:

a. Definitions:

In these financial statements:

The subsidiary	- Aish Kotel Events Ltd.
Net assets	- The difference between the Amuta's assets and its liabilities.
Index	- The Consumer Price Index as published by the Central Bureau for Statistics.
Related parties	- As defined in Standard 41 of the Israel Accounting Standards Board.
Fair value	- The sum by which an asset can be replaced or a liability cleared, through a transaction between a willing vendor and a willing purchaser who are acting wisely and uninfluenced by any special relationship between the parties.

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

Note 2 - Significant accounting policies: (cont.)

b. Presentation of financial statements:

1. The Unrestricted Net Assets were classified as follows:
 - Net Assets to be used for activities.
 - Net Assets to be used for fixed assets.
2. The Statement of Activities includes all of the income and expenditure during the reported period. "Income" includes all of the income that was received and that was accumulated during this period, without any restriction on its use.
3. The Statement of Changes in Net Assets also includes transfers between the unrestricted net assets - used for activities, and unrestricted net assets -used for fixed assets. In respect of sums that were used during the accounting year for fixed assets, sums derived during the accounting year from the realization of fixed assets and sums that were transferred during the accounting year to cover depreciation costs.

c. Recording basis

1. The Amuta records its assets, liabilities, income and expenditure on an accrual basis.
2. The financial statements were prepared on the agreed basis of historic cost.

d. Linkage to the index or to foreign currency:

1. Assets and liabilities in foreign currency, or linked to it, are presented according to the representative exchange rate on the balance sheet date.
2. Assets and liabilities that are linked to the index were included according to the linkage terms for each balance.
3. Income, expenditure and other activities in foreign currency are recorded according to the exchange rates at the time the transaction occurred.
4. Index linkage differentials and exchange rate differentials were recorded in the financial statements as of the time of their creation.
5. Below are details of the indices and the exchange rates for the main currencies:

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

(In thousands NIS)

Note 2 - Significant accounting policies (contd.)

d. Linkage to the index or to foreign currency:

	<u>31.12.2020</u>	<u>31.12.2019</u>
The Consumer Price Index (in points) according to the Index in lieu of the month	100.1	100.8
The United States Dollar (in NIS per Dollar)	3.215	3.456
The GBP (in NIS per GBP)	4.391	4.559

	Percentage change for the year ended	
	<u>31.12.2020</u>	<u>31.12.2019</u>
The Consumer Price Index	(0.69)	0.60
The United States Dollar	(6.97)	(7.79)
The GBP	(3.68)	(4.87)

e. Cash and cash equivalents:

Highly liquid funds which include, inter alia, short-term deposits in banks, redeemable up to three months from the date of deposit.

f. Donations receivable:

Donations which have been promised but not yet received as of the financial statement date, are recorded as income as long as all of the following conditions have been fulfilled:

- There is an irrevocable and unequivocal obligation by the donor, and it relates to the reported period.
- The obligation was realized or may be legally enforced and realized after the financial statements' date.
- The realization of such a promise is unequivocal and does not depend upon the occurrence of any future event.
- The donation was actually received prior to the date of approval the financial statements.

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

Note 2 - Significant accounting policies (contd.)

g. Fixed assets:

1. Fixed assets are presented at cost less accumulated depreciation.
2. The depreciation is calculated by using the straight line method, based on the estimated useful life of the assets.

h. Recognition of income and changes in net assets:

1. Disposable assets and goods received without consideration are not included in the financial statements.
2. The value of a contribution of working hours by volunteers is not included in the financial statements according to management's estimates.
3. Income from investments which are designated to cover reserves in respect of employees' benefits are presented as a deduction in the periodic expenditures required to complete the reserve funds in respect of that current year.

i. Taxes:

The Income tax liability according to the Israeli Value Added Tax Law, is included within the scope of salary expenses. Value Added Tax that was paid in respect of inputs that cannot be refunded is recorded as expenditure or asset in respect of which this tax was levied.

j. Investment in a subsidiary:

The investment in a subsidiary is presented on the basis of equity method.

k. Estimates and assumptions:

At the time of preparing the financial statements, their editing and presentation, in accordance with generally accepted accounting principles, the Amuta's management is required to estimate and make assumptions which affect the data presented in the financial statements and their related notes. Due to the nature of these estimates and assumptions, actual results may differ from these estimates.

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

Note 2 - Significant accounting policies (contd.)

L. New standards before they implemented:

1. New Standards not yet implemented :

Accounting Standard No. 40- Accounting Rules and Financial Reporting by Non-Profit Organizations: On August 13th, 2020, Accounting Standard No. 40, "Accounting Rules and Financial Reporting by Non-Profit Organizations" (hereinafter - "Standard") was published. The standard consolidates the accounting and financial reporting rules for non-profit organizations and replaces statement number 69 and its amendments.

The standard includes many changes, including rules for recognizing income in non-profit institutions compared to the existing standard. The changes (among other things): changes in the timing of the recognition of income from donations (the standard stipulates that donations of fixed assets and donations of cash for investment in fixed assets will be recognized in the activity report when the asset is ready for its intended use or throughout the limitation period set by the donor and not directly as an addition to net assets as was customary hitherto). The standard will apply to financial statements for annual periods beginning on or after January 1, 2021. The Professional Committee encourages early application, the Amuta has chosen not to opt for early adoption of the standard. As of the date of publication of the financial statements, the implications of the changes on the Amuta's financial statements at the date of first application of the standard have not yet been examined.

2. Accounting Standard No. 41 - Related Party Disclosures

In June 2020, the Israel Accounting Standards Board issued the Accounting Standard 41, Related Party Disclosures (hereinafter - the Standard). This standard is based (with some modifications) on International Accounting Standard 24 Related Party Disclosures. The Standard sets out the disclosure requirements regarding related party relationships, related party transactions and related party balances. The standard will be applied for annual periods beginning on or after January 1, 2020 (effective date). A restatement application of the standard is recommended. However, the standard can be applied from here on out. The company included the disclosures required by the standard.

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

(In thousands NIS)

Note 3 - Cash and cash equivalents

	Consolidated		Amuta	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Cash in Israeli currency	154	167	42	43
Cash in Foreign currency	327	665	6	60
Deposit	100	-	100	-
	581	832	148	103

Note 4 - Debtors and debit balances

	Consolidated		Amuta	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Income receivable	3,215	7,150	3,215	7,150
Advances to suppliers	134	21	134	21
Institutions and other debtors	521	201	512	191
	3,870	7,372	3,861	7,362

Note 5 - Loan and investment in a subsidiary under the equity method

	Consolidated		Amuta	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Investment account	-	-	5,400	5,400
Accumulated losses of the subsidiary from the acquisition	-	-	(223)	(292)
Loan	-	-	1,390	1,495
	-	-	6,567	6,603

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

(In thousands NIS)

Note 6 - Fixed assets

a. In the Consolidated Statements of Financial Position:

	<u>Amuta</u>			<u>Subsidiary</u>	
	<u>Buildings</u>	<u>Leasehold improve- ments</u>	<u>Furniture and equipment</u>	<u>Museum under construction</u>	<u>Total</u>
Cost:					
As of January 1, 2020	107,972	549	9,889	5,864	124,274
Acquisitions during the year	91	-	65	261	417
As of December 31, 2020	108,063	549	9,954	6,125	124,691
Accumulated depreciation:					
As of January 1, 2020	46,363	342	7,180	-	53,885
Depreciation	2,125	41	536	-	2,702
As of December 31, 2020	48,488	383	7,716	-	56,587
Depreciated cost:					
<u>As of December 31, 2020</u>	59,575	166	2,238	6,125	68,104
<u>As of December 31, 2019</u>	61,609	207	2,709	5,864	70,389
Depreciation rate:	2%	10%	7%-33%		

b. In the Amuta's Statements of Financial Position:

	<u>Buildings</u>	<u>Leasehold improve- ments</u>	<u>Furniture and equipment</u>	<u>Total</u>
Cost:				
As of January 1, 2020	107,972	549	9,889	118,410
Acquisitions during the year	91	-	65	156
As of December 31, 2020	108,063	549	9,954	118,566
Accumulated depreciation:				
As of January 1, 2020	46,363	342	7,180	53,885
Depreciation	2,125	41	536	2,702
As of December 31, 2020	48,488	383	7,716	56,587
Depreciated cost:				
<u>As of December 31, 2020</u>	59,575	166	2,238	61,979
<u>As of December 31, 2019</u>	61,609	207	2,709	64,525
Depreciation rate:	2%	10%	7%-33%	

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

(In thousands NIS)

Note 6 - Fixed assets (contd.)

c. Some of the building costs were financed by a bank loan (see Note 11).

	Consolidated		Amuta	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Long-term loans (*)	8,683	9,704	8,683	9,704
Net assets used for fixed assets	59,421	60,685	53,296	54,821
	<u>68,104</u>	<u>70,389</u>	<u>61,979</u>	<u>64,525</u>

(*) Composition of the Long-term loans:

	Consolidated and Amuta	
	For the year ended	
	<u>31.12.2020</u>	<u>31.12.2019</u>
<u>As of January 1</u>	9,704	10,571
Receipt of long term loans	156	259
Repayment of long term loans	(1,177)	(1,126)
<u>As of December 31</u>	<u>8,683</u>	<u>9,704</u>

Note 7 - Bank loans and other lines of credit

	Consolidated		Amuta	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Short-term bank credit	1,136	1,874	1,136	1,874
Current maturities of long-term loans (1)	1,616	1,367	1,616	1,367
	<u>2,752</u>	<u>3,241</u>	<u>2,752</u>	<u>3,241</u>

(1) See Note 11 - Bank loans.

Note 8 - Suppliers and service providers

	Consolidated		Amuta	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Suppliers in Israel	940	1,669	940	1,669
Outstanding checks	2,023	817	2,023	817
	<u>2,963</u>	<u>2,486</u>	<u>2,963</u>	<u>2,486</u>

Aish HaTorah Yeshiva (Registered NPO)

Notes to the Financial Statements

as of December 31, 2020

(In thousands NIS)

Note 9 - Creditors and credit balances

	Consolidated		Amuta	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Salaries and related expenses payable	2,545	2,098	2,545	2,098
Scholarships payable	308	380	308	380
Tuition received in advance	1,347	1,503	1,347	1,503
Other creditors	481	551	481	551
Total	<u>4,681</u>	<u>4,532</u>	<u>4,681</u>	<u>4,532</u>

Note 10 - Provision for severance pay, net

a. Consisting of:

	Consolidated		Amuta	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Obligation for the termination of employee- employer relationships	10,785	12,666	10,785	12,666
Less- severance pay fund	<u>4,729</u>	<u>4,318</u>	<u>4,729</u>	<u>4,318</u>
	<u>6,056</u>	<u>8,348</u>	<u>6,056</u>	<u>8,348</u>

- b. The Amuta's obligations for severance pay, retirement and pension for employees are calculated based on the labor laws, labor agreements and current custom and are fully covered, partly by regular deposits and sums accumulated in pension funds, severance pay funds and by executive insurance policies, and the rest is covered by liabilities that are included in the financial statements.

Note 11 - Bank loans

- a.
1. In 2016 a loan was received in the amount of NIS 14 million from FIBI-PAGI Bank for the repayment of existing loans and for further investment in fixed assets. This loan is not linked and bears an annual interest prime rate + 2.3%.
 2. In 2020, a loan was received in the amount of NIS 2 million from FIBI-PAGI Bank, as a government backed loan to assist with dealing with the effects of CoVid 19. The loan is not linked and bears an annual interest prime rate + 1.5%.

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(In thousands NIS)

Note 11 - Bank loans (contd.)

b. The repayment dates for these loans in the coming years after the balance sheet date, are as follows:

	Consolidated		Amuta	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Current maturities - first year	1,616	1,367	1,616	1,367
Second year	1,916	1,387	1,916	1,387
Third year	1,988	1,441	1,988	1,441
Fourth year	2,063	1,499	2,063	1,499
Fifth year onwards	2,934	4,155	2,934	4,155
	8,901	8,482	8,901	8,482
	10,517	9,849	10,517	9,849

Note 12 - Financial expenses, net

	Consolidated		Amuta	
	For the year ended			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Bank fees	378	706	375	706
Interest and exchange rate differentials on loans, net	438	(10)	516	65
	816	696	891	771

Note 13 - Contingent claims

In January 2016, the Amuta terminated its relationship with a service provider who was also a member of the Amuta ("the Plaintiff"), in light of the fact that he refused to reveal and transfer money that he received on behalf of the Amuta, whilst fundraising on behalf of the Amuta, under the entity "Aish International". The plaintiff sued the Amuta in a Beis Din in New York for commissions allegedly owed to him. Subsequently, the plaintiff has raised the amount of the claim from \$600 thousand to \$9.3 million. Nevertheless, until the signature date of these financial statements, the plaintiff has yet to submit any evidence supporting his claim. Simultaneously, the Amuta filed a counterclaim to Beis Din to grant the Amuta access to the financial records of Aish International, in order to clarify which other additional donations (other than those already known to the Amuta, currently exceeding \$1 million), have not been transferred to the Amuta, by the Plaintiff. In the opinion of the Toen Rabani, the prospects of the claim against the Amuta are slim, so no provision was made in the reports.

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Note 14 - Guarantees

- a. The Amuta has guarantees from the bank totaling NIS 136 thousand. The Amuta has pledged buildings on HaTamid Street 4, 6 and 9 and on Nachamu Street 1 and 2, which it owns, to secure loans from the bank
- b. The subsidiary has pledged all its assets for the benefit of the state, to allow receipt of government grants for the construction of the museum.

Note 15- Events during the reporting period

Following the outbreak of the COVID 19 corona virus in China in December 2019, and its spread in early 2020 to many other countries, there has been a decrease in the volume of activity in many regions of the world, including Israel. The spread of the virus caused, among other things, a decrease in the volume of global transportation, restrictions on movement and employment imposed by the Israeli government and many governments around the world. In addition, in accordance with government directives in Israel, the activity of businesses was banned or restricted, the presence of human resources in workplaces was significantly restricted, entertainment venues were closed, education systems were shut down and restrictions on leaving homes were imposed.

COVID 19 had a major impact on the Amuta, with donations dropping by 7m NIS due to the pandemic. However, the Amuta was able to cut expenses during the year in a drastic manner and emerged from the worse of the pandemic with a far leaner organization with an updated organizational structure, better equipped to increase productivity and efficiencies as well as donations. The time of low activity, was used to create a plan of building up surpluses over the coming years

Note 16- Related Parties

The related parties as defined in Standard 41 of the Institute of Certified Public Accountants in Israel with:

- a. Aish Kotel Events, Ltd
- b. Yeshivat Aish HaTorah EIN: 30-0167821
- c. Yeshivat Aish Hatorah - College of Jewish Studies – Canadian Division

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Notes to the Financial Statements

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Note 17- Long Term Leases

- a. The Amuta rents a building at HaTamid Street 1, in Jerusalem, for the purpose of classrooms and offices in the amount of \$ 3,750 per month linked to the cost of living index. The lease agreement is valid until September 31, 2031.
- b. The Amuta rents a building from an association member on Misgav Ladach Street 36, in Jerusalem, for a dormitory in the amount of NIS 15,000 per month. The lease agreement is valid until May 31, 2023. The association has the option to lease for an additional one-year period, provided it meets the lease terms.