

CHARITY REGISTRATION NUMBER: 511204

**The Gateshead Jewish Nursery**  
**Financial Statements**  
**31 July 2023**

**HAFFNER HOFF LTD**

Accountants & statutory auditor  
2nd Floor - Parkgates  
Bury New Road  
Prestwich  
Manchester  
M25 0TL

# **The Gateshead Jewish Nursery**

## **Financial Statements**

**Year ended 31 July 2023**

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# The Gateshead Jewish Nursery

## Trustees' Annual Report

Year ended 31 July 2023

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The trustees present their report and the financial statements of the charity for the year ended 31 July 2023.

### Reference and administrative details

**Registered charity name** The Gateshead Jewish Nursery

**Charity registration number** 511204

**Principal office** Alexandra Road  
Gateshead  
Tyne & Wear  
NE8 1RB

### The trustees

Mrs R Hirsch  
Mrs A Katz

**Auditor** Haffner Hoff Ltd  
Accountants & statutory auditor  
2nd Floor - Parkgates  
Bury New Road  
Prestwich  
Manchester  
M25 0TL

**Bankers** Lloyds Bank plc  
15 West Street  
Gateshead  
Tyne & Wear  
NE8 1DP

# The Gateshead Jewish Nursery

## Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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### Structure, governance and management

The Gateshead Jewish Nursery is constituted under a trust deed dated 04 December 1980. It is a registered charity and the charity number is 511204 and it was registered on 23 March 1981.

### Group structure and relationships

The charity has the following wholly owned non-charitable subsidiary;

Shoshanim Limited (Company number 11237908)

The subsidiaries is a company that trades as a nursery and is incorporated in England and Wales.

### Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under the Charities Act, the committee, decision making processes, the business plan and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### Recruitment of trustees

Recruitment and appointment of new trustees is in line with the Memorandum and Articles of Association and with the consent of the trustees. The criteria set for the suitable candidate would be someone who is sensitive to the needs and demands of the organisation.

There is no chief executive officer. The day to day affairs are undertaken by Mrs E Rabinowitz on behalf of the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees.

### Organisational management

The trustees of the charity are legally responsible for the overall management and control of the charity and meet regularly.

### Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage our exposure to the major risks.

The principal risks are financial including items such as reduction in student numbers and loss of grants receivable. The trustees plan to manage these risks by maintaining a high standard of education and governance of the nursery to ensure it is well run. Most grants receivable, are linked to the associated expenditure such that if the grants would cease to be payable then the associated costs would cease too.

# The Gateshead Jewish Nursery

## Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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### **Objectives and activities**

The objects of the charity are the provision of nursery school facilities and facilities for Jewish religious education for Jewish children resident in the metropolitan borough of Gateshead.

### **Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year.

### **Grant making policy**

The charity is funded by fees, grants and donations. The charity provides education to children of nursery age in the Gateshead area.

The charity does not normally pay out any grants. If the charity would pay out any grants it would be in line with the objects as stated above.

# The Gateshead Jewish Nursery

## Trustees' Annual Report *(continued)*

### Year ended 31 July 2023

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#### Achievements and performance

The charity received £614,703 in grants from Gateshead MBC (2022:£700,590), £568,158 in voluntary contributions (2022:£518,739). The charity also received grants totalling £46,910 relating to security of the school(2022:£50,580).The charity received no income in JRS relating to Covid support(2022:£1,781).

There was trading income of £280,180 during the year whereas the previous year it had been zero. This was due to the purchase of Shoshanim Ltd during the year.

The charity used the above income to fund the creche and nursery school operated by the charity. The amount spent on the creche and nursery including support costs during the year amounted to £1,386,396 (2022:£1,266,987). Costs of other trading activities came to £234,102 during the year (2022:zero). The nursery caters for 274 children and for the latest OFSTED report dated May 2022 the nursery met all the independent schools standards that were checked.

The figures for the wholly owned subsidiary, Shoshanim Ltd have been consolidated within the accounts of the charity. The notes to the accounts disclose the split of balances between the charity and the subsidiary as well as a summary of the results for the year.

Shoshanim Ltd is a UK based company that trades as a nursery. It pays only surpluses generated to the parent charity. Shoshanim Ltd paid up £40,000 during the year.

The trustees would like to record their appreciation for all financial support received from benefactors during the course of the year.

During the year the charity incurred other governance costs comprising professional fees.

The Gateshead Jewish nursery group made no investments during the year.

There were no material fundraising costs during the year.

Related party transactions are recorded as applicable in the notes to the accounts.

There was an overall net expenditure of £110,548 and a negative net movement in funds of £110,548. This compares to 2022 where there was income of £4,703 but due to an unrealised revaluation reducing the value of the property amounting to £83,000, there was a negative net movement in funds of £78,297.

# The Gateshead Jewish Nursery

## Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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### Financial review

The trustees feel that the activity reflects the profile and standing within the local community. The impact for future years' expenditure is self-evident and the trustees would like to record their appreciation for all the financial support received from benefactors during the course of the year.

### Reserves policy

The trustees and management meet on a regular basis to review the reserves and future requirements of the charity. All future needs are considered together with any risks or contingencies that may exist. The trustees are confident that sufficient reserves will be generated to achieve the objectives of the charity.

The unrestricted fund represents the unrestricted funds arising from past operating results. It represents the reserves of the charity. The Trustees are satisfied that the balance of the Fund is satisfactory given the nature of revenue receipts against charitable activity and other costs.

The free reserves, represented by the net current assets of the charity stand at £110,983 all of which are unrestricted.

### Plans for future periods

The trustees plan to continue raising funds for projects in line with the Trust Deed and pursue those objectives and projects with all the resources available to the charity. Shoshanim Ltd, subsidiary of the charity was wound down on 31st August 2023. All assets were transferred to the parent. Shoshanim Ltd will be dormant in the future.

### Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report 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 requires the charity trustees to prepare financial statements for each 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, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Gateshead Jewish Nursery**

## **Trustees' Annual Report** *(continued)*

### **Year ended 31 July 2023**

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The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, 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.

The trustees' annual report was approved on 3 July 2024 and signed on behalf of the board of trustees by:

Mrs A Katz  
Trustee

# The Gateshead Jewish Nursery

## Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery

Year ended 31 July 2023

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### Opinion

We have audited the financial statements of The Gateshead Jewish Nursery (the 'charity') for the year ended 31 July 2023 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, consolidated statement of cash flows and the related notes, 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# The Gateshead Jewish Nursery

## Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

Year ended 31 July 2023

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### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

# The Gateshead Jewish Nursery

## Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

Year ended 31 July 2023

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### Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

the nature of the industry and sector, control environment and business performance;

results of our enquiries of management about their own identification and assessment of the risks of irregularities;

any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to (a) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; (b) detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; (c) the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; (d) the matters identified as to how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAS (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code, UK tax legislation and UK Charity Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

As a result of performing the above, we identified no key audit matters relating to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

reviewing the financial statement disclosures and testing to supporting documentation to assess

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# The Gateshead Jewish Nursery

## Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

Year ended 31 July 2023

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compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

enquiring of management concerning actual and potential litigation and claims;

performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

obtaining an understanding of provisions and holding discussions with management to understand the basis of recognition or non-recognition of tax provisions; and

in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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 Auditors.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# The Gateshead Jewish Nursery

## Independent Auditor's Report to the Trustees of The Gateshead Jewish Nursery *(continued)*

**Year ended 31 July 2023**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The firm is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of The Companies Act 2006.

### **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 auditor's 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.

2nd Floor - Parkgates  
Bury New Road  
Prestwich  
Manchester  
M25 0TL

Haffner Hoff Ltd  
Accountants & statutory auditor

3 July 2024

# The Gateshead Jewish Nursery

## Consolidated Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 31 July 2023

		2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £
<b>Income and endowments</b>				
Donations and legacies	4	–	46,910	46,910
Charitable activities	5	568,158	614,703	1,182,861
Other trading activities	6	96,896	183,284	280,180
<b>Total income</b>		<u>665,054</u>	<u>844,897</u>	<u>1,509,951</u>
<b>Expenditure</b>				
Expenditure on raising funds:				
Costs of other trading activities	7	62,396	171,706	234,102
Expenditure on charitable activities	8,9	713,205	673,191	1,386,396
<b>Total expenditure</b>		<u>775,601</u>	<u>844,897</u>	<u>1,620,498</u>
<b>Net (expenditure)/income</b>		<u>(110,547)</u>	<u>–</u>	<u>(110,547)</u>
<b>Other recognised gains and losses</b>				
Losses from revaluation of fixed assets		–	–	(83,000)
<b>Net movement in funds</b>		<u>(110,547)</u>	<u>–</u>	<u>(110,547)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		1,474,831	–	1,474,831
<b>Total funds carried forward</b>		<u>1,364,284</u>	<u>–</u>	<u>1,364,284</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15 to 27 form part of these financial statements.

# The Gateshead Jewish Nursery

## Consolidated Statement of Financial Position

31 July 2023

	Note	2023		2022
		£	£	£
<b>Fixed assets</b>				
Intangible assets	16		30,485	–
Tangible fixed assets	17		1,501,174	1,471,508
			<u>1,531,659</u>	1,471,508
<b>Current assets</b>				
Stocks	19	2,850		2,850
Debtors	20	80,238		37,461
Cash at bank and in hand		165,339		378,793
		<u>248,427</u>		419,104
<b>Creditors: amounts falling due within one year</b>	21	<u>137,444</u>		118,478
<b>Net current assets</b>			<u>110,983</u>	300,626
<b>Total assets less current liabilities</b>			<u>1,642,642</u>	1,772,134
<b>Creditors: amounts falling due after more than one year</b>	22		<u>278,358</u>	297,303
<b>Net assets</b>			<u>1,364,284</u>	<u>1,474,831</u>
<b>Funds of the charity</b>				
Unrestricted funds:				
Revaluation reserve		89,182		89,182
Other unrestricted income funds		1,275,102		1,385,649
<b>Total unrestricted funds</b>		<u>1,364,284</u>		1,474,831
<b>Total charity funds</b>	25		<u>1,364,284</u>	<u>1,474,831</u>

These financial statements were approved by the board of trustees and authorised for issue on 3 July 2024, and are signed on behalf of the board by:

Mrs A Katz  
Trustee

The notes on pages 15 to 27 form part of these financial statements.

# The Gateshead Jewish Nursery

## Consolidated Statement of Cash Flows

Year ended 31 July 2023

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	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	(110,547)	4,703
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,859	4,836
Amortisation of intangible assets	30,485	–
Interest payable and similar charges	18,714	10,930
Accrued expenses/(income)	3,345	(4,816)
<i>Changes in:</i>		
Stocks	–	350
Trade and other debtors	(103,747)	(18,261)
Trade and other creditors	18,051	3,469
Cash generated from operations	(134,840)	1,211
Interest paid	(18,714)	(10,930)
Net cash used in operating activities	(153,554)	(9,719)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(38,525)	(13,812)
Net cash used in investing activities	(38,525)	(13,812)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(20,458)	(22,891)
Payments of finance lease liabilities	(917)	(916)
Net cash used in financing activities	(21,375)	(23,807)
<b>Net decrease in cash and cash equivalents</b>	(213,454)	(47,338)
<b>Cash and cash equivalents at beginning of year</b>	378,793	426,131
<b>Cash and cash equivalents at end of year</b>	165,339	378,793

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The notes on pages 15 to 27 form part of these financial statements.

# The Gateshead Jewish Nursery

## Notes to the Financial Statements

Year ended 31 July 2023

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### 1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Alexandra Road, Gateshead, Tyne & Wear, NE8 1RB.

### 2. Statement of compliance

The accounts (financial statements) have been prepared in accordance with the relevant version of the 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) and The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

### 3. Accounting policies

#### Consolidation

These financial statements consolidate the results of the charity and its 100% subsidiary Shoshanim Limited, a UK company with a registered company number being 11237908. The registered office address is 12 Whitehall Road Whitehall Road, Gateshead, United Kingdom, NE8 4ES. This is in accordance with SORP FRS 102 paragraph 9.13. The year end of Shoshanim Ltd is 31 August 2023.

#### Basis of preparation

The financial statements have been prepared on the historical cost basis.

#### Going concern

There are no material uncertainties about the charity's ability to continue.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported other than the valuation of the property.

#### Fund accounting

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds. Unrestricted funds held by the charity are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

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### 3. Accounting policies *(continued)*

#### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

#### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 50% straight line

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2023

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#### 3. Accounting policies *(continued)*

##### Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### Tangible assets

Fixed assets are initially recorded at cost and subsequently stated at cost less accumulated depreciation and impairment losses.

Land and buildings has been accounted for on a revaluation method, owing to having been revalued in a previous period.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	-	25% straight line
Equipment	-	25% straight line

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

##### Stocks

Stocks are measured at the lower of cost and estimated value in use. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

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### 3. Accounting policies *(continued)*

#### Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

#### Business combinations

Business combinations relating to acquiring control of trade and assets to form one or more businesses are accounted for using the purchase method.

The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

Where control is achieved in stages, the cost of the business combination is the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued at the date of each transaction in the series.

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

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### 3. Accounting policies *(continued)*

#### Business combinations *(continued)*

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date providing it is probable and can be measured reliably. Where it is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration is treated as an adjustment to the cost of the combination. If such expected future events do not occur, or the estimate needs to be revised, the cost of the business combination is adjusted accordingly. The unwinding of any discounting is recognised as a finance cost in profit or loss in the period it arises.

### 4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Grants</b>			
Security grants	–	46,910	<b>46,910</b>
JRS Scheme	–	–	–
	<u>–</u>	<u>46,910</u>	<u><b>46,910</b></u>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Grants</b>			
Security grants	6,858	43,722	50,580
JRS Scheme	1,781	–	1,781
	<u>8,639</u>	<u>43,722</u>	<u>52,361</u>

Security grants received of £46,910 are wholly attributable to the charity.

### 5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Payments from governments or public authorities in the normal course of trading	–	614,703	<b>614,703</b>
Voluntary contributions	568,158	–	<b>568,158</b>
	<u>568,158</u>	<u>614,703</u>	<u><b>1,182,861</b></u>

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

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### 5. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Payments from governments or public authorities in the normal course of trading	700,590	–	700,590
Voluntary contributions	518,739	–	518,739
	<u>1,219,329</u>	<u>–</u>	<u>1,219,329</u>

Income from charitable activities is wholly attributable to the parent.

### 6. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Shoshanim Ltd	<u>96,896</u>	<u>183,284</u>	<u>280,180</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Shoshanim Ltd	<u>–</u>	<u>–</u>	<u>–</u>

Income from other trading activities is wholly attributable to the subsidiary.

### 7. Costs of other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Costs of other trading activities	<u>62,396</u>	<u>171,706</u>	<u>234,102</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Costs of other trading activities	<u>–</u>	<u>–</u>	<u>–</u>

Costs of other trading activities are wholly attributable to the subsidiary.

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

### 8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Charitable activities	600,245	673,191	<b>1,273,435</b>
Support costs	112,960	–	<b>112,961</b>
	<u>713,205</u>	<u>673,191</u>	<u><b>1,386,396</b></u>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activities	1,125,608	43,722	1,169,330
Support costs	97,657	–	97,657
	<u>1,223,265</u>	<u>43,722</u>	<u>1,266,987</u>

### 9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Charitable activities	1,269,015	4,420	101,947	<b>1,375,382</b>	1,257,387
Governance costs	–	–	11,014	<b>11,014</b>	9,600
	<u>1,269,015</u>	<u>4,420</u>	<u>112,961</u>	<u><b>1,386,396</b></u>	<u>1,266,987</u>

Expenditure on charitable activities include £29,308 attributable to the subsidiary and £1,384,588 attributable to the charity which is offset against £27,500 of intercompany transactions. Support costs are wholly attributable to the charity.

### 10. Analysis of support costs

	Analysis of support costs £	Total 2023 £	Total 2022 £
Staff costs	56,600	<b>56,600</b>	56,054
General office	26,633	<b>26,633</b>	21,073
Finance costs	18,714	<b>18,714</b>	10,930
Governance costs	11,065	<b>11,065</b>	9,600
	<u>113,012</u>	<u><b>113,012</b></u>	<u>97,657</u>

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2023

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#### 11. Analysis of grants

	2023 £	2022 £
<b>Grants to institutions</b>		
North London Welfare	2,612	10,448
Sundry donations	1,808	–
	<u>4,420</u>	<u>10,448</u>
Total grants	<u>4,420</u>	<u>10,448</u>

#### 12. Net (expenditure)/income

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

	2023 £	2022 £
Amortisation of intangible assets	30,485	–
Depreciation of tangible fixed assets	8,859	4,836
Operating lease rentals	4,216	–
	<u>43,560</u>	<u>4,836</u>

#### 13. Auditors remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	5,280	4,800
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	5,785	4,800

#### 14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	1,048,233	871,358
Social security costs	7,850	–
Employer contributions to pension plans	3,452	(7,164)
	<u>1,059,535</u>	<u>864,194</u>

The average head count of employees during the year was 152 (2022: 127). It is analysed as follows:

	2023 No.	2022 No.
Number of administrative staff	6	4
Number of teaching and other staff	103	78
	<u>109</u>	<u>82</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2023

#### 15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees, nor were any expenses reimbursed to the trustees.

#### 16. Intangible assets

Intangible assets are wholly attributable to the charity.

#### 17. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 August 2022	1,457,000	68,689	7,758	<b>1,533,447</b>
Additions	21,318	17,207	–	<b>38,525</b>
Disposals	–	(51,385)	–	<b>(51,385)</b>
<b>At 31 July 2023</b>	<b>1,478,318</b>	<b>34,511</b>	<b>7,758</b>	<b>1,520,587</b>
<b>Depreciation</b>				
At 1 August 2022	–	56,291	5,648	<b>61,939</b>
Charge for the year	–	8,156	703	<b>8,859</b>
Disposals	–	(51,385)	–	<b>(51,385)</b>
<b>At 31 July 2023</b>	<b>–</b>	<b>13,062</b>	<b>6,351</b>	<b>19,413</b>
<b>Carrying amount</b>				
<b>At 31 July 2023</b>	<b>1,478,318</b>	<b>21,449</b>	<b>1,407</b>	<b>1,501,174</b>
At 31 July 2022	1,457,000	12,398	2,110	1,471,508

Fixed assets include £7,554 attributable to the subsidiaries of the charity. The remaining amount is attributable to the charity.

#### 18. Investment entities

##### Subsidiaries and other investments

	Registered office	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>			
Shoshanim Ltd	12 Whitehall Rd Gateshead NE8 4ES	Ordinary	100

The results for subsidiaries and other undertakings are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2023	2022	2023	2022
	£	£	£	£
<b>Subsidiary undertakings</b>				
Shoshanim Ltd	(932)	26,530	(14,962)	26,530

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2023

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#### 19. Stocks

	2023	2022
	£	£
Raw materials and consumables	<u>2,850</u>	<u>2,850</u>

Stocks are wholly attributable to the parent.

#### 20. Debtors

	2023	2022
	£	£
Other debtors	<u>80,238</u>	<u>37,461</u>

Debtors include £74,390 which are attributable to the charity and £5,848 which are attributable to the subsidiary.

#### 21. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	20,460	22,890
Accruals and deferred income	21,295	17,950
Social security and other taxes	1,278	–
Obligations under finance leases and hire purchase contracts	750	750
Other creditors	<u>93,661</u>	<u>76,888</u>
	<u>137,444</u>	<u>118,478</u>

Creditors falling due within one year include £118,547 attributable to the charity and £18,897 attributable to the subsidiary of the charity.

#### 22. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	277,753	295,781
Obligations under finance leases and hire purchase contracts	<u>605</u>	<u>1,522</u>
	<u>278,358</u>	<u>297,303</u>

All creditors falling due after more than one year are attributable to the charity. The bank loans are secured on the property of the charity.

#### 23. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2023	2022
	£	£
Not later than 1 year	750	750
Later than 1 year and not later than 5 years	<u>605</u>	<u>1,522</u>
	<u>1,355</u>	<u>2,272</u>

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# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2023

#### 24. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,452 (2022: £(7,164)).

#### 25. Analysis of charitable funds

##### Unrestricted funds

	At 1 August 2022	Income	Expenditure	Gains and losses	At 31 July 2023
	£	£	£	£	£
General funds	1,385,649	665,054	(775,601)	–	<b>1,275,102</b>
Revaluation reserve	89,182	–	–	–	<b>89,182</b>
	<u>1,474,831</u>	<u>665,054</u>	<u>(775,601)</u>	<u>–</u>	<u><b>1,364,284</b></u>

	At 1 August 2022	Income	Expenditure	Gains and losses	At 31 July 2022
	£	£	£	£	£
General funds	1,380,946	1,227,968	(1,223,265)	–	1,385,649
Revaluation reserve	172,182	–	–	(83,000)	89,182
	<u>1,553,128</u>	<u>1,227,968</u>	<u>(1,223,265)</u>	<u>(83,000)</u>	<u>1,474,831</u>

##### Restricted funds

	At 1 August 2022	Income	Expenditure	Gains and losses	At 31 July 2023
	£	£	£	£	£
Restricted fund	–	844,897	(844,897)	–	–
	<u>–</u>	<u>844,897</u>	<u>(844,897)</u>	<u>–</u>	<u>–</u>

	At 1 August 2022	Income	Expenditure	Gains and losses	At 31 July 2022
	£	£	£	£	£
Restricted fund	–	43,722	(43,722)	–	–
	<u>–</u>	<u>43,722</u>	<u>(43,722)</u>	<u>–</u>	<u>–</u>

# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2023

### 26. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Intangible assets	30,485	<b>30,485</b>
Tangible fixed assets	1,501,174	<b>1,501,174</b>
Current assets	248,427	<b>248,427</b>
Creditors less than 1 year	(137,444)	<b>(137,444)</b>
Creditors greater than 1 year	(278,358)	<b>(278,358)</b>
<b>Net assets</b>	<b>1,364,284</b>	<b>1,364,284</b>

  

	Unrestricted Funds £	Total Funds 2022 £
Intangible assets	–	–
Tangible fixed assets	1,471,508	1,471,508
Current assets	419,104	419,104
Creditors less than 1 year	(118,478)	(118,478)
Creditors greater than 1 year	(297,303)	(297,303)
<b>Net assets</b>	<b>1,474,831</b>	<b>1,474,831</b>

### 27. Analysis of changes in net debt

	At 1 Aug 2022 £	Cash flows £	At 31 Jul 2023 £
Cash at bank and in hand	378,793	(213,454)	<b>165,339</b>
Debt due within one year	(23,640)	2,430	<b>(21,210)</b>
Debt due after one year	(297,303)	18,945	<b>(278,358)</b>
	<u>57,850</u>	<u>(192,079)</u>	<u><b>(134,229)</b></u>

### 28. Business combinations

#### Acquisition of Shoshanim Limited

The fair value of consideration paid in relation to the acquisition of Shoshanim Limited is as follows:

Cash	£ <u>87,500</u>
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# The Gateshead Jewish Nursery

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2023

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#### 28. Business combinations *(continued)*

The fair value of amounts recognised at the acquisition date (1<sup>st</sup> September 2022) in relation to Shoshanim Limited are as follows:

	<b>Fair value</b>
	<b>£</b>
Tangible fixed assets acquired	<b>9,443</b>
Trade debtors acquired	<b>8,843</b>
Other debtors acquired	<b>11,092</b>
Cash and cash equivalents acquired	<b>23,477</b>
Trade creditors assumed	<b>(3,743)</b>
Other creditors assumed	<b>(22,582)</b>
	<b>26,530</b>
Goodwill on acquisition	<b>60,970</b>
	<b>87,500</b>

#### 29. Related parties

There were no related party transactions during the year and no related party balances at the year end.

#### 30. Taxation

The Gateshead Jewish Nursery is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### 31. Reporting date of individual subsidiary accounts

The year end for the individual accounts of the subsidiary Shoshanim Ltd is 31st August 2023. The net movement in the one month between the two year-ends has been computed as not being material.