

CHARITY REGISTRATION NUMBER: 513728

Yeshivas Lubavitch Manchester
Unaudited Financial Statements
30 September 2021

HAFFNER HOFF LTD

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

Yeshivas Lubavitch Manchester

Financial Statements

Year ended 30 September 2021

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Yeshivas Lubavitch Manchester

Trustees' Annual Report

Year ended 30 September 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 30 September 2021.

Reference and administrative details

Registered charity name Yeshivas Lubavitch Manchester

Charity registration number 513728

Principal office 62 Singleton Road
Salford
M7 4LU

The trustees

Rabbi Y A Cohen (Appointed 3 December 2020)
D M Hickson
G Glickman

Independent examiner Howard Schwalbe ACA
2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Structure, governance and management

Yeshivas Lubavitch Manchester is constituted by a trust deed dated 17 March 1983 and is an unincorporated charity.

The company is controlled by the trustees who meet on a regular basis to discuss all the activities of the charity and its management.

The trustees have a risk management strategy which comprises an annual review of the risks that the charity may face. The establishment of systems and procedures to manage those risks identified in the plan and the implementation of procedures to minimise any potential on the charity should those risks materialise.

Recruitment and appointment of new trustees would be in line with the trust deed 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 are no policies for the induction or training of new trustees.

Yeshivas Lubavitch Manchester

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Objectives and activities

The objects of the charity are: The advancement of the Jewish Religion and education by the establishment of a college of learning.

The strategies employed to achieve these objectives are to provide a building for a local Jewish School.

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The strategies employed to achieve these objectives are to provide a building for a local Jewish School.

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.

Achievements and performance

During the year, the charity received donations of £830,652 and investment income of £140,000 and paid out £248,693 in furtherance of its objects.

The charity has low governance costs comprising professional fees.

There were no related party transactions in the reporting period.

There was an overall net income and movement for the year amounting to £728,959 as detailed on the Statement of Financial Activities.

The directors have established the level of reserves (that is funds that are freely available) that the charity ought to have. Reserves are needed to fund the gap between donations and expenditure on the building.

There was an overall net income and net movement in funds for the year amounting to £798,290.

Yeshivas Lubavitch Manchester

Trustees' Annual Report *(continued)*

Year ended 30 September 2021

Financial review

The trustees feel that the activity for the year reflects the profile and standing of the charity within the local community. The impact for future year's 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 Unrestricted Fund represents the unrestricted funds arising from past operating results.

The free reserves being the being the net current assets stand at £31,939, all of which are unrestricted.

The Trustees are satisfied that the balance of the Fund is an acceptable level of reserves given the nature of revenue receipts against grants payable.

The trustees are delighted to have made many valuable contributions to the community as a result of this income and hope to be able to do so for many years to come.

The trustees' annual report was approved on 6 February 2024 and signed on behalf of the board of trustees by:

Rabbi Y A Cohen
Trustee

Yeshivas Lubavitch Manchester

Independent Examiner's Report to the Trustees of Yeshivas Lubavitch Manchester

Year ended 30 September 2021

I report to the trustees on my examination of the financial statements of Yeshivas Lubavitch Manchester ('the charity') for the year ended 30 September 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Howard Schwalbe ACA

Independent Examiner

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

Yeshivas Lubavitch Manchester

Statement of Financial Activities

Year ended 30 September 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	830,652	–	830,652	31,200
Investment income	5	140,000	–	140,000	140,000
Total income		<u>970,652</u>	<u>–</u>	<u>970,652</u>	<u>171,200</u>
Expenditure					
Expenditure on charitable activities	6,7	248,693	5,060	253,753	184,372
Total expenditure		<u>248,693</u>	<u>5,060</u>	<u>253,753</u>	<u>184,372</u>
Net income/(expenditure) and net movement in funds					
		<u>721,959</u>	<u>(5,060)</u>	<u>716,899</u>	<u>(13,172)</u>
Reconciliation of funds					
Total funds brought forward		1,246,867	5,060	1,251,927	1,265,099
Total funds carried forward		<u>1,968,826</u>	<u>–</u>	<u>1,968,826</u>	<u>1,251,927</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 8 to 16 form part of these financial statements.

Yeshivas Lubavitch Manchester

Statement of Financial Position

30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	14	2,266,887	2,289,898
Current assets			
Debtors	15	29,336	101,056
Cash at bank and in hand		4,703	19,012
		<u>34,039</u>	<u>120,068</u>
Creditors: amounts falling due within one year	16	<u>2,100</u>	<u>1,158,039</u>
Net current assets		<u>31,939</u>	<u>(1,037,971)</u>
Total assets less current liabilities		<u>2,298,826</u>	<u>1,251,927</u>
Creditors: amounts falling due after more than one year	17	<u>330,000</u>	<u>–</u>
Net assets		<u>1,968,826</u>	<u>1,251,927</u>
Funds of the charity			
Restricted funds		–	5,060
Unrestricted funds		<u>1,968,826</u>	<u>1,246,867</u>
Total charity funds	18	<u>1,968,826</u>	<u>1,251,927</u>

These financial statements were approved by the board of trustees and authorised for issue on 6 February 2024, and are signed on behalf of the board by:

Rabbi Y A Cohen
Trustee

The notes on pages 8 to 16 form part of these financial statements.

Yeshivas Lubavitch Manchester

Statement of Cash Flows

Year ended 30 September 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net income/(expenditure)	716,899	(13,172)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	23,011	163
Dividends, interest and rents from investments	(140,000)	(140,000)
Accrued expenses	2,100	–
<i>Changes in:</i>		
Trade and other debtors	71,720	(101,056)
Trade and other creditors	(824,802)	1,154,802
Cash generated from operations	<u>(151,072)</u>	<u>900,737</u>
Net cash (used in)/from operating activities	<u>(151,072)</u>	<u>900,737</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	140,000	140,000
Purchase of tangible assets	–	(9,320)
Net cash from investing activities	<u>140,000</u>	<u>130,680</u>
Cash flows from financing activities		
Proceeds from borrowings	(3,237)	3,237
Net cash (used in)/from financing activities	<u>(3,237)</u>	<u>3,237</u>
Net (decrease)/increase in cash and cash equivalents	(14,309)	1,034,654
Cash and cash equivalents at beginning of year	19,012	–
Cash and cash equivalents at end of year	<u>4,703</u>	<u>1,034,654</u>

The notes on pages 8 to 16 form part of these financial statements.

Yeshivas Lubavitch Manchester

Notes to the Financial Statements

Year ended 30 September 2021

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 62 Singleton Road, Salford, M7 4LU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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 besides depreciation of equipment.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

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.

Yeshivas Lubavitch Manchester

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Yeshivas Lubavitch Manchester

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

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:

Freehold property	- 1% straight line
Equipment	- 33% 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.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

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.

Yeshivas Lubavitch Manchester

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

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.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	830,652	830,652	31,200	31,200

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	140,000	140,000	140,000	140,000

Yeshivas Lubavitch Manchester

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Activity type 1	246,057	5,060	251,117
Support costs	2,636	–	2,636
	<u>248,693</u>	<u>5,060</u>	<u>253,753</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Activity type 1	160,860	–	160,860
Support costs	23,512	–	23,512
	<u>184,372</u>	<u>–</u>	<u>184,372</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Activity type 1	38,699	212,418	536	251,653	183,172
Governance costs	–	–	2,100	2,100	1,200
	<u>38,699</u>	<u>212,418</u>	<u>2,636</u>	<u>253,753</u>	<u>184,372</u>

8. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
General office	–	–	22,312
Governance costs	900	900	1,200
	<u>900</u>	<u>900</u>	<u>23,512</u>

Yeshivas Lubavitch Manchester

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

9. Analysis of grants

	2021 £	2020 £
Grants to institutions		
OYY Girls School	140,000	140,000
Camp Gan Israel	13,918	3,266
Machne Israel	27,000	–
	<u>180,918</u>	<u>143,266</u>
Grants to individuals		
Grants for education	31,500	–
Total grants	<u>212,418</u>	<u>143,266</u>

10. Net income/(expenditure)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	<u>23,011</u>	<u>163</u>

11. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>900</u>	<u>1,200</u>

12. Staff costs

The average head count of employees during the year was Nil (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

13. Trustee remuneration and expenses

No trustee received any remuneration during the year.

Yeshivas Lubavitch Manchester

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

14. Tangible fixed assets

	Freehold property £	Equipment £	Total £
Cost			
At 1 October 2020 and 30 September 2021	<u>2,289,091</u>	<u>1,553</u>	<u>2,290,644</u>
Depreciation			
At 1 October 2020	–	746	746
Charge for the year	22,891	120	23,011
At 30 September 2021	<u>22,891</u>	<u>866</u>	<u>23,757</u>
Carrying amount			
At 30 September 2021	<u>2,266,200</u>	<u>687</u>	<u>2,266,887</u>
At 30 September 2020	<u>2,289,091</u>	<u>807</u>	<u>2,289,898</u>

15. Debtors

	2021 £	2020 £
Trade debtors	–	14,646
Prepayments and accrued income	1,892	–
Other debtors	27,444	86,410
	<u>29,336</u>	<u>101,056</u>

16. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	–	3,237
Accruals and deferred income	2,100	–
Other creditors	–	1,154,802
	<u>2,100</u>	<u>1,158,039</u>

17. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>330,000</u>	<u>–</u>

Yeshivas Lubavitch Manchester

Notes to the Financial Statements (continued)

Year ended 30 September 2021

18. Analysis of charitable funds

Unrestricted funds

	At 1 October 20 20 £	Income £	Expenditure £	At 30 September 2021 £
General funds	1,246,867	970,652	(248,693)	1,968,826

	At 1 October 20 19 £	Income £	Expenditure £	At 30 September 2020 £
General funds	1,260,039	171,200	(184,372)	1,246,867

Restricted funds

	At 1 October 20 20 £	Income £	Expenditure £	At 30 September 2021 £
Restricted Fund 1 - desc in a/cs	5,060	–	(5,060)	–

	At 1 October 20 19 £	Income £	Expenditure £	At 30 September 2020 £
Restricted Fund 1 - desc in a/cs	5,060	–	–	5,060

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	2,266,887	2,266,887
Current assets	34,039	34,039
Creditors less than 1 year	(2,100)	(2,100)
Creditors greater than 1 year	(330,000)	(330,000)
Net assets	1,968,826	1,968,826

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	2,289,898	2,289,898
Current assets	120,068	120,068
Creditors less than 1 year	(1,258,401)	(1,258,401)
Creditors greater than 1 year	–	–
Net assets	1,151,565	1,151,565

Yeshivas Lubavitch Manchester

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

20. Analysis of changes in net debt

	At 1 Oct 2020	Cash flows	At 30 Sep 2021
	£	£	£
Cash at bank and in hand	19,012	(14,309)	4,703
Debt due within one year	(3,237)	3,237	–
	<u>15,775</u>	<u>(11,072)</u>	<u>4,703</u>

21. Taxation

The trust 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.