

Beis Menachem Chabad Lubavitch
Unaudited Financial Statements
31 May 2023

HAFFNER HOFF LTD

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

Beis Menachem Chabad Lubavitch

Financial Statements

Year ended 31 May 2023

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	5
Statement of financial activities	6
Statement of financial position	7
Notes to the financial statements	8

Beis Menachem Chabad Lubavitch

Trustees' Annual Report

Year ended 31 May 2023

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

Reference and administrative details

Registered charity name	Beis Menachem Chabad Lubavitch
Charity registration number	1046309
Principal office	Beis Menachem Park Lane Salford M7 4JD
The trustees	Rabbi Y A Cohen D Hickson S Weis
Independent examiner	Mr Howard Schwalbe ACA 2nd Floor - Parkgates Bury New Road Prestwich Manchester M25 0TL

Beis Menachem Chabad Lubavitch

Trustees' Annual Report *(continued)*

Year ended 31 May 2023

Structure, governance and management

Beis Menachem Chabad Lubavitch is constituted under a trust deed dated 2 May 1995 as amended on 2 July 2017. It was registered as a charity on 2 August 2004 with a charity number being 1046309.

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 is no chief executive officer. The day to day affairs are undertaken by Rabbi M Cohen 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.

There are no policies for the induction or training of new trustees.

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 risks faced by the trust are principally operational risks from ineffective grant making and other direct charitable activities. These risks are managed by the trustees researching potential beneficiaries before granting donations or engaging in direct charitable activity.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all grants.

Beis Menachem Chabad Lubavitch

Trustees' Annual Report *(continued)*

Year ended 31 May 2023

Objectives and activities

The objects of the charity are the furtherance of orthodox Jewish education, relief of poverty and any other charitable activity as the trustees may from time to time and in their absolute discretion think fit.

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 has established its grant making policy to achieve its objects for the public benefit. The charity invites applications for funding through contacting local philanthropists to contribute towards projects that both the trustees and the philanthropists feel are appropriate for the charity's objects.

The application of the funds by way of grants is to either institutions or individuals.

The trustees consider they have met the public benefit test and outline these achievements below.

The trustees measure the success of achieving the stated aims by the number and value of grants and direct charitable activity paid out for each object. The grants and direct activity paid out in the year are detailed in the notes to the accounts and the trustees consider they have met their aims successfully this year.

The trustees consider the shorter term aims to be similar to the longer term aims and assess the achievement of the charity in the same way.

Achievements and performance

During the year the charity received £437,540 in donations. The charity paid out £190,667 by way of direct costs, grants and support costs. These payments were all made in line with the stated objects of the charity.

A breakdown of the direct costs can be found in the notes to the accounts. Mivzoim is a term used to reflect campaigns and initiatives to help further the objects of the charity.

The charity has low governance costs comprising professional fees.

All other office costs are borne by a local benefactor and the trustees wish to record their appreciation to the benefactor for the free use of their offices.

Grants over £1,000 made during the year to institutions are as detailed in the accounts.

There were no material fundraising costs during the year.

Related party transactions in the reporting period are as detailed in the related party notes to the accounts.

There was an overall net income and net movement in funds for the year amounting to £246,877. Of this, £10,000 relates to restricted net income with the balance relating to unrestricted net income.

Beis Menachem Chabad Lubavitch

Trustees' Annual Report *(continued)*

Year ended 31 May 2023

Financial review

The trustees feel that the activity reflects the profile and standing 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 trustees are satisfied that the balance of the fund is an acceptable level of reserves given the nature of revenue receipts against grants payable.

In considering the financial obligations of the charity, the trustees have resolved to maintain a minimum reserve, being the six months expenditure of the charity.

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 free reserves, represented by the net current assets of the charity stand at £183,201, with £10,000 in the restricted fund and £931,438 in the unrestricted fund.

The trustees' annual report was approved on 20 February 2025 and signed on behalf of the board of trustees by:

Rabbi Y A Cohen
Trustee

Beis Menachem Chabad Lubavitch

Independent Examiner's Report to the Trustees of Beis Menachem Chabad Lubavitch

Year ended 31 May 2023

I report to the trustees on my examination of the financial statements of Beis Menachem Chabad Lubavitch ('the charity') for the year ended 31 May 2023.

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.

Mr Howard Schwalbe ACA
Independent Examiner

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

20 February 2025

Beis Menachem Chabad Lubavitch

Statement of Financial Activities

Year ended 31 May 2023

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	426,193	11,347	437,540	121,852
Investment income	5	4	—	4	1
Other income	6	—	—	—	18,843
Total income		<u>426,197</u>	<u>11,347</u>	<u>437,544</u>	<u>140,696</u>
Expenditure					
Expenditure on charitable activities	7,8	189,320	1,347	190,667	144,944
Total expenditure		<u>189,320</u>	<u>1,347</u>	<u>190,667</u>	<u>144,944</u>
Net income/(expenditure) and net movement in funds		<u>236,877</u>	<u>10,000</u>	<u>246,877</u>	<u>(4,248)</u>
Reconciliation of funds					
Total funds brought forward		694,561	—	694,561	698,809
Total funds carried forward		<u>931,438</u>	<u>10,000</u>	<u>941,438</u>	<u>694,561</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.

Beis Menachem Chabad Lubavitch

Statement of Financial Position

31 May 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	15	758,237	753,413
Current assets			
Debtors	16	2,055	996
Cash at bank and in hand		193,235	11,240
		<u>195,290</u>	<u>12,236</u>
Creditors: amounts falling due within one year	17	<u>12,089</u>	<u>68,549</u>
Net current assets		<u>183,201</u>	<u>(56,313)</u>
Total assets less current liabilities		<u>941,438</u>	<u>697,100</u>
Creditors: amounts falling due after more than one year	18	<u>—</u>	<u>2,539</u>
Net assets		<u>941,438</u>	<u>694,561</u>
Funds of the charity			
Restricted funds		10,000	—
Unrestricted funds		<u>931,438</u>	<u>694,561</u>
Total charity funds	19	<u>941,438</u>	<u>694,561</u>

These financial statements were approved by the board of trustees and authorised for issue on 20 February 2025, 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.

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements

Year ended 31 May 2023

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 Beis Menachem, Park Lane, Salford, M7 4JD.

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 main judgements, estimates or assumptions that affect the amounts reported is the valuation of the freehold property. This is updated to fair value based on information supplied by independent valuers.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

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.

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

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.

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

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:

Fixtures and fittings	- 15% straight line
Equipment	- 15% 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.

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.

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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 £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations	426,193	–	426,193
Grants			
Mains Grants	–	10,000	10,000
CST	–	1,347	1,347
	<u>426,193</u>	<u>11,347</u>	<u>437,540</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	112,552	–	112,552
Grants			
Mains Grants	–	9,300	9,300
CST	–	–	–
	<u>112,552</u>	<u>9,300</u>	<u>121,852</u>

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements (continued)

Year ended 31 May 2023

5. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	4	4	1	1

6. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Rental income	—	—	18,843	18,843

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Mivzoim and educational activity	171,779	1,347	173,126
Support costs	17,541	—	17,541
	<u>189,320</u>	<u>1,347</u>	<u>190,667</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Mivzoim and educational activity	101,021	9,300	110,321
Support costs	34,623	—	34,623
	<u>135,644</u>	<u>9,300</u>	<u>144,944</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Mivzoim and educational activity	28,404	144,722	16,523	189,649	143,370
Governance costs	—	—	1,018	1,018	1,574
	<u>28,404</u>	<u>144,722</u>	<u>17,541</u>	<u>190,667</u>	<u>144,944</u>

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

9. Analysis of support costs

	Analysis of support costs £	Total 2023 £	Total 2022 £
Staff costs	374	374	–
Premises	6,271	6,271	–
Communications and IT	1,419	1,419	–
General office	8,487	8,487	33,049
Finance costs	(30)	(30)	–
Governance costs	1,020	1,020	1,574
	<u>17,541</u>	<u>17,541</u>	<u>34,623</u>

10. Analysis of grants

	2023 £	2022 £
Grants to institutions		
OYY Lubavitch Boys School	96,567	71,033
Yad Veachisomoch L'Chaim	7,855	–
Grants to institutions < 2,000	11,313	–
	<u>115,735</u>	<u>71,033</u>
Grants to individuals		
Grants to individuals	28,987	9,947
Total grants	<u>144,722</u>	<u>80,980</u>

11. Net income/(expenditure)

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

	2023 £	2022 £
Depreciation of tangible fixed assets	3,568	3,862
Foreign exchange differences	(30)	–
	<u>3,538</u>	<u>3,862</u>

12. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,020	1,020
	<u>1,020</u>	<u>1,020</u>

13. Staff costs

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

	2023 £	2022 £
Wages and salaries	374	6,760
	<u>374</u>	<u>6,760</u>

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements (continued)

Year ended 31 May 2023

13. Staff costs (continued)

The average head count of employees during the year was Nil (2022: Nil).

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

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 June 2022	750,000	24,805	939	775,744
Additions	5,800	—	2,592	8,392
At 31 May 2023	<u>755,800</u>	<u>24,805</u>	<u>3,531</u>	<u>784,136</u>
Depreciation				
At 1 June 2022	—	21,767	564	22,331
Charge for the year	—	3,038	530	3,568
At 31 May 2023	<u>—</u>	<u>24,805</u>	<u>1,094</u>	<u>25,899</u>
Carrying amount				
At 31 May 2023	<u>755,800</u>	<u>—</u>	<u>2,437</u>	<u>758,237</u>
At 31 May 2022	<u>750,000</u>	<u>3,038</u>	<u>375</u>	<u>753,413</u>

The trustees revalued the freehold property of the charity in the previous year on advice from a local property management company. The trustees consider the current fair value of the freehold property to be £755,800.

16. Debtors

	2023 £	2022 £
Stripe - YLM	—	12
Paypal £	—	624
Other debtors	2,055	360
	<u>2,055</u>	<u>996</u>

17. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	9,397	67,529
Accruals and deferred income	2,692	1,020
	<u>12,089</u>	<u>68,549</u>

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements (continued)

Year ended 31 May 2023

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

	2023 £	2022 £
Director loan accounts	—	2,539

19. Analysis of charitable funds

Unrestricted funds

	At 1 June 2022 £	Income £	Expenditure £	At 31 May 2023 £
General funds	694,561	426,197	(189,320)	931,438

	At 1 June 2021 £	Income £	Expenditure £	At 31 May 2022 £
General funds	698,809	131,396	(135,644)	694,561

Restricted funds

	At 1 June 2022 £	Income £	Expenditure £	At 31 May 2023 £
Restricted fund - grants received	—	11,347	(1,347)	10,000

	At 1 June 2021 £	Income £	Expenditure £	At 31 May 2022 £
Restricted fund - grants received	—	9,300	(9,300)	—

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	758,237	—	758,237
Current assets	185,290	10,000	195,290
Creditors less than 1 year	(12,089)	—	(12,089)
Net assets	931,438	10,000	941,438

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	753,413	—	753,413
Current assets	12,236	—	12,236
Creditors less than 1 year	(71,088)	—	(71,088)
Net assets	694,561	—	694,561

Beis Menachem Chabad Lubavitch

Notes to the Financial Statements *(continued)*

Year ended 31 May 2023

21. Related parties

Rabbi Y A Cohen and D Hickson, trustees of the charity, are also trustees of OYY Lubavitch Boys School. During the year, the charity donated £7,855 to OYY Lubavitch Boys School.

Rabbi Y A Cohen is also a trustee of Yad Veachisomoch L'Chaim. During the year, the charity donated £96,567 to Yad Veachisomoch L'Chaim.

22. Taxation

Beis Menachem Chabad Lubavitch 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.