

Charity Registration No. 1124507

Company Registration No. 06525914 (England and Wales)

SOUTH MANCHESTER SYNAGOGUE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

SOUTH MANCHESTER SYNAGOGUE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A Goodman Mrs L Engler Mr A J Hyams Mrs S Bernstein Mr D J Cowen Mr G R A Matz Mr R Moryoussef Miss F M Hyman Mr A R Kingsley Mr M L Kuhillow Mr B S Verby Mr Philip Goldstone Mrs Sarah Isaacs	(Appointed 16 January 2020) (Appointed 16 January 2020)
Charity number	1124507	
Company number	06525914	
Registered office	The Firs Bowdon Altrincham Cheshire WA14 2TE	
Auditor	Topping Partnership (Accountants) Limited Incom House Waterside Trafford Park Manchester M17 1WD	
Bankers	Barclays Bank plc Mosley Street Manchester M60 2AU	
Solicitors	Kuit Steinart Levy 3 St Mary's Parsonage Manchester M3 2RD	

SOUTH MANCHESTER SYNAGOGUE LIMITED

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SOUTH MANCHESTER SYNAGOGUE LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also directors for the purposes of company law, present their report and the financial statements for the charity for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objectives of the charity are to cater for the religious requirements generally of the Jewish inhabitants of Manchester and the surrounding districts, and in particular, to provide its members, and where appropriate for others, the normal facilities of a Synagogue in accordance with orthodox Jewish tradition, principally: a) daily religious services on weekdays, Sabbaths and Holy Days; b) pastoral services; c) educational facilities including a Sunday School for children; d) facilities for the burial of the dead; e) facilities for marriage; f) social events as appropriate; g) facilities for appropriate private social events; h) support for those in need, where appropriate, through other charitable bodies. In addition, the needs of the wider community are also catered for in terms of our annual civic remembrance service, outreach and educational activities for the non-Jewish community eg school visits for local children and participation in interfaith committees.

There were no significant changes in the principal objectives of the Synagogue for the period under review.

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's objectives and in planning future activities.

Achievements and performance

Over the past year the Synagogue has run a wide variety of activities for its members, from formal religious events such as daily, weekly and High Holy Day services through to community-based events such as the communal Passover meal and Shabbat UK events. The Synagogue has also undertaken numerous educational and social events including lectures, discussions, presentations, excursions, youth clubs and various children's activities. In view of the hard financial times, the Synagogue has instituted a policy that all one-off events should charge a fee to ensure that they cover their direct costs eg external security as a minimum; many produce a surplus that is ploughed back into the respective portfolio for future activities.

The Synagogue employs an adequate number of pastoral, administrative, teaching and caretaking staff necessary to ensure its smooth functioning and also relies heavily on the services of unpaid volunteers for backup and other purposes.

Financial review

During the period under review the Synagogue received income of £588,892(2019: £518,044) with £556,983 (2019: £598,578) utilised as direct charitable expenditure. The Synagogue had reserves of £4,199,457 (2019: £4,167,301) at the end of the period. £34,284 (2019: £34,038) of these reserves were invested in income producing investments.

The unrestricted reserves are maintained to support the continuing activities of the Synagogue. There is no formal policy to maintain a specific level of reserves. The directors constantly monitor the level of reserves to ensure the Charity can meet its liabilities.

The Charity had reserves at the year end of £4,199,457 (2019: £4,167,301) of which £9,823 (2019: £9,113) were restricted.

SOUTH MANCHESTER SYNAGOGUE LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Synagogue's principal income comes from members subscriptions. Other activities and events are intended to cover their costs and modest entry prices are charged for social functions. Gift Aid Relief is claimed on eligible donations.

The charity has a number of investments in several quoted companies.

Overarching risks are discussed at regular Executive and Directors' Board Meetings and where considered necessary appropriate professional advice is obtained where they perceive this is required for a specific risk or a particularly high risk. The Synagogue takes out appropriate insurances to protect its assets and also to protect it from third party liability claims.

Child protection risks are primarily dealt with by the Directors with responsibility for Youth and Education. The Synagogue maintains a Child Protection policy covering all areas of the Synagogue's activities involving young people and is reviewed annually by the Board. Procedures include Disclosure and Barring Service checks on all staff who work with children.

Physical security risks to the building and its occupants are managed by the Security Committee which works closely with the national organisation, the Community Security Trust, and the local Police. This Committee organises security at services and events. Financial risks are managed by the Treasurer in consultation with the Finance Committee which consists of past treasurers and directors.

The Charity has established a sound financial basis upon which to build for the future. The directors continue to seek further contributions and donations to help achieve its objectives now and in the future.

Structure, governance and management

The company was incorporated on 6 March 2008 and commenced its activities on 1 September 2008. The company was registered with the Charities Commission on 16 June 2008 and is governed by its Memorandum and Articles of Association. The company is limited by guarantee.

The charity has a Board of Directors, which delegates the day-to-day responsibility of the management and control of the charity to its Executive.

The President, Secretary, Treasurer and Warden who sit on the Board of Directors constitute the Executive and are elected at the Annual Meeting.

All expenditure is approved by the Board of Directors acting as a body and the directors ensure that full accounting records are maintained with management accounting records to ensure that all criteria for spending the funds of the Charity are fully met.

Appointment of the directors is by election at the Annual Meeting of the charity.

New directors are required to undergo an induction programme including an introduction to the objectives, scope and policies of the charity, Charity Commission information and director responsibilities.

Mr A Berg	(Resigned 16 January 2020)
Mr G Bloch	(Resigned 14 January 2021)
Mr A Goodman	
Mrs L Engler	
Mr A J Hyams	
Mrs S Bernstein	
Mr D J Cowen	
Mr G R A Matz	
Mr R Moryoussef	

SOUTH MANCHESTER SYNAGOGUE LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Miss F M Hyman

Mr A R Kingsley

Mr M L Kuhillow

Mr B S Verby

Mr J-P Glaskie

Mr Philip Goldstone

Mrs Sarah Isaacs

(Resigned 16 January 2020)

(Appointed 16 January 2020)

(Appointed 16 January 2020)

Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Trustees report was approved by the Board of Directors.



Mr D J Cowen

Trustee

Dated: 26/5/21

SOUTH MANCHESTER SYNAGOGUE LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are also the directors of South Manchester Synagogue Limited for the purpose of company law, 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).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure for the period.

SOUTH MANCHESTER SYNAGOGUE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTH MANCHESTER SYNAGOGUE LIMITED

Opinion

We have audited the financial statements of South Manchester Synagogue Limited (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SOUTH MANCHESTER SYNAGOGUE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOUTH MANCHESTER SYNAGOGUE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees report has been prepared in accordance with applicable legal requirements.

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 directors' report included within the Trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SOUTH MANCHESTER SYNAGOGUE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOUTH MANCHESTER SYNAGOGUE LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Bowles (Senior Statutory Auditor)

for and on behalf of Topping Partnership (Accountants) Limited

26/5/21

Chartered Accountants

Statutory Auditor

Incom House
Waterside
Trafford Park
Manchester
M17 1WD

SOUTH MANCHESTER SYNAGOGUE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Donations and legacies	3	447,027	19,974	467,001	381,304	27,251	408,555
Charitable activities	4	66,502	-	66,502	49,944	-	49,944
Other trading activities	5	53,942	-	53,942	57,562	-	57,562
Investments	6	1,447	-	1,447	1,983	-	1,983
Total income		568,918	19,974	588,892	490,793	27,251	518,044
Expenditure on:							
Charitable activities	7	537,718	19,265	556,983	568,409	30,169	598,578
Net gains/(losses) on investments	11	-	-	-	2,100	-	2,100
Net incoming/(outgoing) resources		31,200	709	31,909	(75,516)	(2,918)	(78,434)
Other recognised gains and losses							
Revaluation of tangible fixed assets		246	-	246	(2,205)	-	(2,205)
Net movement in funds		31,446	709	32,155	(77,721)	(2,918)	(80,639)
Fund balances at 1 September 2019		4,158,188	9,114	4,167,302	4,235,909	12,031	4,247,940
Fund balances at 31 August 2020		4,189,634	9,823	4,199,457	4,158,188	9,113	4,167,301

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

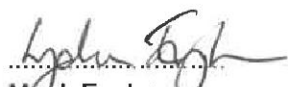
SOUTH MANCHESTER SYNAGOGUE LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	4,609,470		4,627,634	
Investments	13	34,284		34,038	
		<u>4,643,754</u>		<u>4,661,672</u>	
Current assets					
Debtors	14	78,788		66,931	
Cash at bank and in hand		148,841		7,958	
		<u>227,629</u>		<u>74,889</u>	
Creditors: amounts falling due within one year	16	<u>(158,285)</u>		<u>(101,972)</u>	
Net current assets/(liabilities)			69,344		(27,083)
Total assets less current liabilities			4,713,098		4,634,589
Creditors: amounts falling due after more than one year	17		<u>(513,641)</u>		<u>(467,288)</u>
Net assets			<u>4,199,457</u>		<u>4,167,301</u>
Income funds					
Restricted funds	18		9,823		9,113
<u>Unrestricted funds</u>					
Designated funds	19	574,264		514,437	
General unrestricted funds		3,598,082		3,626,709	
Revaluation reserve		17,288		17,042	
		<u>4,189,634</u>		<u>4,158,188</u>	
		<u>4,199,457</u>		<u>4,167,301</u>	

The financial statements were approved by the Trustees on 26/05/2021


 Mrs L Engler
 Trustee

Company Registration No. 06525914

SOUTH MANCHESTER SYNAGOGUE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		115,688		(28,461)
Investing activities					
Purchase of tangible fixed assets		(18,462)		(18,011)	
Proceeds on disposal of investments		-		17,999	
Interest received		1,447		1,983	
Net cash (used in)/generated from investing activities			(17,015)		1,971
Financing activities					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		(7,790)		(19,611)	
Net cash generated from/(used in) financing activities			42,210		(19,611)
Net increase/(decrease) in cash and cash equivalents			140,883		(46,101)
Cash and cash equivalents at beginning of year			7,958		54,059
Cash and cash equivalents at end of year			148,841		7,958

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

South Manchester Synagogue Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Firs, Bowdon, Altrincham, Cheshire, WA14 2TE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The investment revaluation reserve shows the accumulated revaluations on the investments to date.

The decorations and repairs reserve relates to funds which are put aside to maintain and repair the fabric of the building.

The Synagogue has a burial fund whereby participating members contribute and on death their burial fees are covered.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

All funds are unrestricted with the exception of the Charities Fund, Tzedakah Fund and Youth Fund which are restricted.

The Charities Fund and Tzedakah Fund relate to monies collected specifically for onward donation.

The Youth Fund relates to monies to be spent on Youth activities only.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations and gifts represent amounts received during the year.

Grants received are recognised as monies are received. This is ongoing throughout the year as expenses are incurred for which the grants are received.

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Subscriptions represent amounts receivable for the accounting year. Any amounts received in advance for future years are deferred and released in following years as appropriate.

Investment income is recognised on a receivable basis.

1.5 Expenditure

Resources expended are included in the accounts when the goods or services are received. This applies to expenditure in all categories on the SOFA. The accounts are prepared on an accruals basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% straight line on the Synagogue building only
Fixtures and fittings	25% reducing balance
Equipment	25% reducing balance

Depreciation on land and buildings is on the Synagogue building only. The land element and residential properties used by the Rabbis are not depreciated.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	97,733	19,974	117,707	41,487	27,251	68,738
Grants receivable	3,818	-	3,818	4,415	-	4,415
Membership fees	272,938	-	272,938	274,370	-	274,370
Gift Aid	72,538	-	72,538	61,032	-	61,032
	<u>447,027</u>	<u>19,974</u>	<u>467,001</u>	<u>381,304</u>	<u>27,251</u>	<u>408,555</u>

4 Charitable activities

	Charitable Income 2020	Charitable Income 2019
	£	£
Wedding fees	500	-
Burial income	66,002	49,944
	<u>66,502</u>	<u>49,944</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Fundraising events	<u>53,942</u>	<u>57,562</u>

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

6 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Income from listed investments	1,447	1,830
Interest receivable	-	153
	<hr/>	<hr/>
	1,447	1,983
	<hr/>	<hr/>

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities

	Charitable Expenditure 2020 £	Charitable Expenditure 2019 £
Staff Costs	204,721	240,531
Depreciation and impairment	36,627	33,596
Rates & water	3,751	2,105
Light & heat	14,374	13,378
Repairs & maintenance	39,613	62,639
Insurance	7,755	8,429
Laundry & cleaning	13,726	18,621
Motor vehicle expenses	-	51
Sefer Torah	22,500	-
Travel & subsistence	18,917	1,949
Affiliation fees	3,863	3,497
Telephone	3,516	3,463
Printing, postage & stationery	13,706	14,187
Burial expenses	37,755	36,297
Security	10,997	13,839
Rabbi expenses	8,346	7,163
Youth Rabbi expenses	9,345	5,503
Miscellaneous Event costs	4,258	3,318
Youth Events	4,845	7,412
Other charitable expenditure	92,859	117,109
	<u>551,474</u>	<u>593,087</u>
Share of governance costs (see note 8)	5,509	5,491
	<u>556,983</u>	<u>598,578</u>
Analysis by fund		
Unrestricted funds	537,718	568,409
Restricted funds	19,265	30,169
	<u>556,983</u>	<u>598,578</u>

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Audit fees	-	5,509	5,509	-	5,491	5,491
	-	5,509	5,509	-	5,491	5,491
Analysed between Charitable activities	-	5,509	5,509	-	5,491	5,491

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

None of the Trustees have had any expenses reimbursed during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Rabbis	1	1
Chazan	1	1
Caretaker	1	1
Office staff	2	2
Educational staff	1	1
	6	6

Employment costs

	2020 £	2019 £
Wages and salaries	193,818	212,932
Social security costs	732	18,395
Other pension costs	10,171	9,204
	204,721	240,531

There were no employees whose annual remuneration was £60,000 or more.

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Net gains/(losses) on investments

	Total	Unrestricted funds
	2020	2019
	£	£
Gain/(loss) on sale of investments	-	2,100

12 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	4,824,505	47,639	19,882	4,892,026
Additions	-	18,462	-	18,462
At 31 August 2020	4,824,505	66,101	19,882	4,910,488
Depreciation and impairment				
At 1 September 2019	216,980	33,074	14,337	264,391
Depreciation charged in the year	27,088	8,151	1,388	36,627
At 31 August 2020	244,068	41,225	15,725	301,018
Carrying amount				
At 31 August 2020	4,580,437	24,876	4,157	4,609,470
At 31 August 2019	4,607,524	14,565	5,545	4,627,634

13 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 September 2019	34,038
Valuation changes	246
At 31 August 2020	34,284
Carrying amount	
At 31 August 2020	34,284
At 31 August 2019	34,038

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	21,462	5,059
Other debtors	35,000	44,667
Prepayments and accrued income	22,326	17,205
	<u>78,788</u>	<u>66,931</u>

15 Loans and overdrafts

	2020	2019
	£	£
Bank loans	<u>529,111</u>	<u>486,901</u>
Payable within one year	15,470	19,613
Payable after one year	<u>513,641</u>	<u>467,288</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>380,473</u>	<u>388,488</u>

There are two secured loans, both are secured on the properties to which they relate included within fixed assets.

The first original loan value was £250,000. At the end of the year the percentage of loan outstanding to the value of the asset included in the accounts was 29%.

This loan is a commercial mortgage that is due to finish in July 2033. It is a flexible mortgage with variable monthly repayments. The interest rate payable on this loan is base rate plus 3.55%.

The second original loan value was £310,000. At the end of the year the percentage of loan outstanding to the value of the asset included in the accounts was 85%.

This loan is a commercial mortgage that is due to finish in June 2038. It is a fixed rate mortgage with fixed monthly payments for 10 years. The current interest rate is 5.09%.

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	15	15,470	19,613
Other taxation and social security		4,882	4,669
Trade creditors		92,758	26,274
Other creditors		661	4,393
Accruals and deferred income		44,514	47,023
		<u>158,285</u>	<u>101,972</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

Bank loans and overdrafts - £15,470 (2019: £19,613)

17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	15	513,641	467,288

The following liabilities disclosed under creditors falling due over one year are secured by the company:

Bank loans and overdrafts - £464,474 (2019: £467,288).

Included within creditors due over 1 year are amounts due on a commercial mortgage due to finish in July 2033, this is a flexible mortgage with variable rate monthly loan repayments and is secured on a property included within the accounts. The interest rate payable on this loan is 3.8%, being base rate plus 3.55%.

A further commercial mortgage is also included in creditors due over one year. This is due to finish in May 2038 and is a flexible mortgage with variable rate monthly loan repayments and is secured on a property included within the accounts. The interest rate payable on this loan is 5.09%.

Included within creditors due after more than one year is an amount of £380,473 (2019: £388,488) in respect of liabilities repayable by instalments which fall due for payment after more than 5 years from the reporting date.

Loan interest of £22,599 (2019: £23,824) is included in the accounts.

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 September 2018	Incoming resources	Resources expended	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 31 August 2020
	£	£	£	£	£	£	£
Charities Fund	3,406	23,371	(26,226)	551	17,226	(16,750)	1,027
Tzedakah Fund	1,155	3,880	(3,537)	1,498	2,748	(2,515)	1,731
Youth Activity Fund	7,470	-	(406)	7,065	-	-	7,065
	<u>12,031</u>	<u>27,251</u>	<u>(30,169)</u>	<u>9,114</u>	<u>19,974</u>	<u>(19,265)</u>	<u>9,823</u>

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2018 £	Movement in funds			Transfers	Balance at 1 September 2019 £	Movement in funds			Transfers	Balance at 31 August 2020 £
		Incoming resources £	Resources expended £				Incoming resources £	Resources expended £			
Decorations and repairs reserve	81,811	-	(39,317)		27,000	69,494	-	(13,433)		28,000	84,061
Burial Fund reserve	438,137	28,852	(22,046)		-	444,943	60,975	(15,715)		-	490,203
	519,948	28,852	(61,363)		27,000	514,437	60,975	(29,148)		28,000	574,264

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of net assets between funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:						
Tangible assets	4,609,470	-	4,609,470	4,627,634	-	4,627,634
Investments	34,284	-	34,284	34,038	-	34,038
Current assets/ (liabilities)	59,521	9,823	69,344	(36,196)	9,113	(27,083)
Long term liabilities	(513,641)	-	(513,641)	(467,288)	-	(467,288)
	<u>4,189,634</u>	<u>9,823</u>	<u>4,199,457</u>	<u>4,158,188</u>	<u>9,113</u>	<u>4,167,301</u>

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	2,199	1,521
Between two and five years	7,276	5,705
	<u>9,475</u>	<u>7,226</u>

During the year the company paid £2,199 (2019: £1,606) in lease payments included as an expense in the accounts.

22 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

SOUTH MANCHESTER SYNAGOGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23	Cash generated from operations	2020 £	2019 £
	Surplus/(deficit) for the year	31,909	(78,434)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,447)	(1,983)
	Gain on disposal of investments	-	(2,100)
	Depreciation and impairment of tangible fixed assets	36,627	33,596
	Movements in working capital:		
	(Increase)/decrease in debtors	(11,857)	24,452
	Increase/(decrease) in creditors	60,456	(3,992)
	Cash generated from/(absorbed by) operations	115,688	(28,461)
24	Analysis of changes in net (debt)/funds		
		At 1 September 2019 £	Cash flows £ At 31 August 2020 £
	Cash at bank and in hand	7,958	140,883 148,841
	Loans falling due within one year	(19,613)	4,143 (15,470)
	Loans falling due after more than one year	(467,288)	(46,353) (513,641)
		(478,943)	98,673 (380,270)