

Manchester Great New & Central Synagogue
Financial Statements
31 December 2020

HAFFNER HOFF LTD

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

Manchester Great New & Central Synagogue

Financial Statements

Year ended 31 December 2020

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Manchester Great New & Central Synagogue

Trustees' Annual Report

Year ended 31 December 2020

The trustees present their report and the financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name Manchester Great New & Central Synagogue

Charity registration number 1135569

Principal office 30 Singleton Road
Salford
Manchester
M7 4LN

The trustees

B Cohen (Died 16 August 2021)
J J Davies
H Gordon
M Jacobs
M Livshin

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

Bankers The Royal Bank Of Scotland Plc
18 Bury Old Road
Manchester
M8 7JN

Solicitors Steinbergs Solicitors
62 County Road
Liverpool
L4 3QL

Manchester Great New & Central Synagogue

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Structure, governance and management

The Charitable Trust is an unincorporated charity that was established by a constitution adopted on 07 September 2009 to advance the Jewish Religion in Greater Manchester for the benefit of the public through the holding of prayer meetings, lectures and public celebration of religious festivals.

Recruitment and appointment of new trustees would be in line with the constitution 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 the executive and committee 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.

Suitable policies are in place 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 or mismanagement of the Synagogue. These risks are managed by the trustees researching potential beneficiaries before granting donations as well as having a management team dedicated to the smooth running of the Synagogue.

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

The Trustees examine the major strategic and operational risks that the Synagogue faces each financial year when financial plans are prepared. The Treasurer has close control over the financial records and monitors the financial position regularly.

Manchester Great New & Central Synagogue

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Objectives and activities

The objects of the charity are: (i) the advancement of the Jewish religion for the benefit of the public, (ii) The advancement of Jewish religious education and (iii) such other charitable purposes as the trustees shall from time to time decide.

The objectives of the Charity are to cater for the religious requirements generally of the Jewish inhabitants of North Manchester and the surrounding districts, and in particular, to provide its trustees, and where appropriate for others, the normal facilities of a synagogue in accordance with orthodox Jewish tradition, principally:

- a) Religious services on weekdays, Sabbaths and Holy days;
- b) Pastoral services;
- c) Educational facilities;
- d) Facilities for burial of the dead;
- e) Facilities for marriages;
- f) Social events as appropriate;
- g) Facilities for appropriate private social events;
- h) Support for those in need, where appropriate, through other charitable bodies.

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

Public benefit

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

Grant making policy

The charity is mainly funded by donations and trusteeship. The charity gives out grants in line with the above objects.

There were no grants paid out in the year.

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 paid out for each object.

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.

Manchester Great New & Central Synagogue

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Achievements and performance

The Statement of Financial Activities (SOFA) shows that the Synagogue received total income of £306,826. The Synagogue spent £440,993 on direct charitable and support costs, leaving a deficit of £134,167 before gains and transfers.

There was an unrealised gain on the valuation of the listed and other investments at the year end amounting to £73,174. The total of these gains is as disclosed on the face of the SOFA.

The net expenditure, as mentioned above, of £134,167 was split between the restricted fund (burial board) amounting to a deficit of £6,992 and a deficit on the unrestricted fund amounting to £127,175 before net gains on investments.

The trustees resolved to transfer £10,000 from the unrestricted funds to the burial board restricted fund to provide cover for potential future liabilities of the burial board.

The Synagogue employs the minimum pastoral, administrative and caretaking staff necessary and relies mainly on unpaid volunteers for backup and other purposes.

These direct charitable and support costs were all in line with the stated objects of the charity.

New investments made during the year relate to the listed investments.

Grants paid out in the year are as disclosed in the notes to the accounts.

There were no material fundraising costs during the year.

There were no related party transactions in the reporting period.

Manchester Great New & Central Synagogue

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Financial review

The trustees feel that the activity and surplus 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 trustees and donors during the course of the year.

The Synagogue has operated for many years.

Reserves policy

The Unrestricted Fund represents the unrestricted funds arising from past operating results. There is no formal policy to maintain a level of reserves. The Trustees constantly monitor the level of reserves to ensure the Charity can meet its liabilities.

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 limited financial obligations of the charity, the trustees have resolved to maintain a minimum reserve practical for donations which are seasonal.

The free reserves represented by the net current assets of the charity stand at £43,017 all of which is attributable to the unrestricted funds.

Investment policy

The Charity has investments in quoted companies, property and cash at bank.

The trustees consider this diverse portfolio to be prudent and offer a fair rate of return. The trustees consider this acceptable when compared with returns available solely on deposits in any of the banking institutions.

Coronavirus

There was a significant impact of coronavirus on the charity during the year, as the Synagogue was closed for nearly 4 months and the hall was closed for nearly 15 months. The trustees consider that going concern is not an issue in respect of coronavirus as the charity has continued to operate during the pandemic albeit at a reduced capacity. Additionally, the JRS has been utilised and staff furloughed as applicable. Everyone associated with the charity have been working extremely hard to ensure the smooth running of the Synagogue during this unprecedented situation.

We look forward to a time when things will return to normal or at least as normal as possible once again.

True and fair override

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charities governing document, The Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Plans for future periods

The trustees plan to continue to maintain the Synagogue and Burial Board in line with the Trust Deed and to pursue those objectives and projects with all the resources available to the charity.

Manchester Great New & Central Synagogue

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 27 October 2021 and signed on behalf of the board of trustees by:

M Livshin
Trustee

Manchester Great New & Central Synagogue

Independent Auditor's Report to the Trustees of Manchester Great New & Central Synagogue

Year ended 31 December 2020

Opinion

We have audited the financial statements of Manchester Great New & Central Synagogue (the 'Charity') for the year ended 31 December 2020 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Manchester Great New & Central Synagogue

Independent Auditor's Report to the Trustees of Manchester Great New & Central Synagogue *(continued)*

Year ended 31 December 2020

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Manchester Great New & Central Synagogue

Independent Auditor's Report to the Trustees of Manchester Great New & Central Synagogue *(continued)*

Year ended 31 December 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Auditor's approach to assessing the risks of material misstatement due to irregularities, including fraud Detail the auditor's approach to assessing the risks of material misstatement due to fraud and NOCLAR.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to including:-

Charity Act 2011 - as this entity is a charity;

Health and Safety Regulations - as the charity has a kitchen and a hall as well as welcoming trustees and the public into the Synagogue;

Food hygiene - as above;

AML provisions - inherent with all organisations.

FRS 102 reporting framework.

Data protection

CJRS

The following particular considerations in respect of fraud were assessed. We assessed the risks of material misstatement in respect of fraud as follows:

Reviewed unusual or large transactions;

Complex transactions if applicable;

Analytical procedures;

One off transactions.

Manchester Great New & Central Synagogue

Independent Auditor's Report to the Trustees of Manchester Great New & Central Synagogue *(continued)*

Year ended 31 December 2020

We made fraud enquiries of during the audit from:-

Management;

those charged with governance;

other analytical procedures to identify any unusual or unexpected relationships;

the audit team discussions to identify particular areas to misstatement or fraud;

the audit team attempted to identify any fraud risk factors in its discussion of related party relationships and transactions (ISA (UK) 550;

legal counsel as applicable;

Audit procedures designed to respond to the risks of NOCLAR.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

Reviewing the entity's policies and procedures for compliance with those laws and regulations based on our knowledge of the client and the regulations.

Follow up of all suspected non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud that will be fully documented.

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

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

Manchester Great New & Central Synagogue

Independent Auditor's Report to the Trustees of Manchester Great New & Central Synagogue *(continued)*

Year ended 31 December 2020

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr D Schwarz FCCA (Senior Statutory Auditor)

For and on behalf of
Haffner Hoff Ltd
Accountants & statutory auditor

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

27 October 2021

Manchester Great New & Central Synagogue

Statement of Financial Activities

Year ended 31 December 2020

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	26,770	–	26,770	36,743
Charitable activities	5	100,233	109,936	210,169	211,758
Investment income	6	32,417	–	32,417	41,770
Other income	7	37,470	–	37,470	67,070
Total income		<u>196,890</u>	<u>109,936</u>	<u>306,826</u>	<u>357,341</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	8	14,356	–	14,356	15,268
Expenditure on charitable activities	9,10	309,709	116,928	426,637	478,995
Total expenditure		<u>324,065</u>	<u>116,928</u>	<u>440,993</u>	<u>494,263</u>
Net gains on investments	12	73,174	–	73,174	408,204
Net (expenditure)/income		<u>(54,001)</u>	<u>(6,992)</u>	<u>(60,993)</u>	<u>271,282</u>
Transfers between funds		(10,000)	10,000	–	–
Net movement in funds		<u>(64,001)</u>	<u>3,008</u>	<u>(60,993)</u>	<u>271,282</u>
Reconciliation of funds					
Total funds brought forward		3,211,218	201,576	3,412,794	3,141,512
Total funds carried forward		<u>3,147,217</u>	<u>204,584</u>	<u>3,351,801</u>	<u>3,412,794</u>

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

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

Manchester Great New & Central Synagogue

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	17	2,103,862	2,179,603
Investments	18	2,146,278	2,123,572
		<u>4,250,140</u>	<u>4,303,175</u>
Current assets			
Debtors	19	47,993	99,051
Cash at bank and in hand		59,387	88,878
		<u>107,380</u>	<u>187,929</u>
Creditors: amounts falling due within one year	20	<u>64,363</u>	<u>126,981</u>
Net current assets		<u>43,017</u>	<u>60,948</u>
Total assets less current liabilities		<u>4,293,157</u>	<u>4,364,123</u>
Creditors: amounts falling due after more than one year	21	<u>941,356</u>	<u>951,329</u>
Net assets		<u><u>3,351,801</u></u>	<u><u>3,412,794</u></u>
Funds of the charity			
Restricted funds		204,584	201,576
Unrestricted funds		3,147,217	3,211,218
Total charity funds	23	<u><u>3,351,801</u></u>	<u><u>3,412,794</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 27 October 2021, and are signed on behalf of the board by:

M Livshin
Trustee

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

Manchester Great New & Central Synagogue

Statement of Cash Flows

Year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Net (expenditure)/income	(60,993)	271,282
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	79,323	120,816
Net gains on investments	(73,174)	(408,204)
Dividends, interest and rents from investments	(32,368)	(41,594)
Other interest receivable and similar income	(49)	(176)
Interest payable and similar charges	33,785	40,442
Accrued expenses	3,974	4,200
<i>Changes in:</i>		
Trade and other debtors	51,058	(2,592)
Trade and other creditors	(33,079)	(43,925)
Cash generated from operations	(31,523)	(59,751)
Interest paid	(33,785)	(40,442)
Interest received	49	176
Net cash used in operating activities	(65,259)	(100,017)
Cash flows from investing activities		
Dividends, interest and rents from investments	32,368	41,594
Purchase of tangible assets	(3,582)	(123,264)
Purchases of other investments	–	(50,794)
Proceeds from sale of other investments	50,468	276,428
Net cash from investing activities	79,254	143,964
Cash flows from financing activities		
Proceeds from borrowings	(43,486)	14,163
Net cash (used in)/from financing activities	(43,486)	14,163
Net increase in cash and cash equivalents	(29,491)	58,110
Cash and cash equivalents at beginning of year	88,878	30,768
Cash and cash equivalents at end of year	59,387	88,878

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

Manchester Great New & Central Synagogue

Notes to the Financial Statements

Year ended 31 December 2020

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 30 Singleton Road, Salford, Manchester, M7 4LN.

2. Statement of compliance

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

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

3. Accounting policies

Basis of preparation

The accounts are prepared under historical cost convention and in accordance with the applicable accounting standards.

The accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting by Charities" issued in January 2015 and the Charities Acts 2011.

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 the revaluation of the investments.

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds

Unrestricted funds held by the charity are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds

Designated funds held by the charity relate to the Sale of Silver Ornaments Fund and the Marga Brodie Fund.

Restricted funds

Restricted funds held by the charity relate to the Burial Board.

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.

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

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 fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and Buildings - No depreciation has been provided on the land. The building has recently been completed and is maintained to a high standard.

Fixtures, fittings and equipment 10% reducing balance.

Investment properties are included in the balance sheet at their open market value.

Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

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	- 2% reducing balance except for the burial plots that are reduced by the number of plots used in the year.
Fixtures & fittings	- 10% reducing balance

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Investments *(continued)*

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Fixed asset investments, including investment property, are included at market value, where appropriate, at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA. No depreciation is provided on these investments in accordance with FRSSE.

This represents a departure from the general requirement for all tangible assets to be depreciated. In the opinion of the trustees compliance with the standard is necessary for the financial statements to give a true and fair view.

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.

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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.

Defined contribution plans

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

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

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Donations				
Donations and gifts	26,590	26,590	36,743	36,743
Donations - Marga Brodie Fund	180	180	—	—
	<u>26,770</u>	<u>26,770</u>	<u>36,743</u>	<u>36,743</u>

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Subscriptions	100,233	–	100,233
Burial fees	–	109,936	109,936
	<u>100,233</u>	<u>109,936</u>	<u>210,169</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Subscriptions	103,418	–	103,418
Burial fees	–	108,340	108,340
	<u>103,418</u>	<u>108,340</u>	<u>211,758</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from listed investments	32,368	32,368	41,594	41,594
Bank interest receivable	49	49	176	176
	<u>32,417</u>	<u>32,417</u>	<u>41,770</u>	<u>41,770</u>

7. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Hall hire	3,460	3,460	46,070	46,070
Rental income	21,000	21,000	21,000	21,000
Other income	5,285	5,285	–	–
Other income - J R S	7,725	7,725	–	–
	<u>37,470</u>	<u>37,470</u>	<u>67,070</u>	<u>67,070</u>

8. Investment management costs

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Rent collection	1,085	1,085	840	840
Property repairs and maintenance charges	730	730	1,240	1,240
Other investment management costs	12,541	12,541	13,188	13,188
	<u>14,356</u>	<u>14,356</u>	<u>15,268</u>	<u>15,268</u>

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Synagogue expenses	228,570	–	228,570
Burial Board expenses	–	109,246	109,246
Depreciation	71,640	7,682	79,323
Bad debts	–	–	–
Marga Brodie Fund	500	–	500
Support costs	8,999	–	8,998
	<u>309,709</u>	<u>116,928</u>	<u>426,637</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Synagogue expenses	271,539	–	271,539
Burial Board expenses	–	75,427	75,427
Depreciation	76,228	44,588	120,816
Bad debts	4,614	–	4,614
Marga Brodie Fund	–	–	–
Support costs	6,599	–	6,599
	<u>358,980</u>	<u>120,015</u>	<u>478,995</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Synagogue expenses	228,570	–	–	228,570	271,539
Burial Board expenses	109,246	–	–	109,246	75,427
Depreciation	79,323	–	–	79,323	120,816
Bad debts	–	–	–	–	4,614
Marga Brodie Fund	–	500	–	500	–
Governance costs	–	–	8,998	8,998	6,599
	<u>417,139</u>	<u>500</u>	<u>8,998</u>	<u>426,637</u>	<u>478,995</u>

11. Analysis of support costs

	Analysis of support costs £	Total 2020 £	Total 2019 £
Governance costs	8,998	8,998	6,599

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

12. Net gains on investments

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains on sale of burial land sold in previous period	—	—	254,437	254,437
Gains/(losses) on listed investments	73,174	73,174	151,233	151,233
Gains/(losses) on other investments	—	—	2,534	2,534
	<u>73,174</u>	<u>73,174</u>	<u>408,204</u>	<u>408,204</u>

13. Net (expenditure)/income

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

	2020 £	2019 £
Depreciation of tangible fixed assets	79,323	120,816

14. Auditors remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	4,800	4,200
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	2,400	2,400

15. Staff costs

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

	2020 £	2019 £
Wages and salaries	87,061	86,936
Social security costs	187	3,483
Employer contributions to pension plans	1,404	3,437
	<u>88,652</u>	<u>93,856</u>

The average head count of employees during the year was 10 (2019: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of Rabbinical staff	5	5
Number of other staff	3	3
Number of administrative staff	2	2
	<u>10</u>	<u>10</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

16. Trustee remuneration and expenses

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

17. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2020	2,059,120	616,251	2,675,371
Additions	—	3,582	3,582
At 31 December 2020	2,059,120	619,833	2,678,953
Depreciation			
At 1 January 2020	264,299	231,469	495,768
Charge for the year	40,487	38,836	79,323
At 31 December 2020	304,786	270,305	575,091
Carrying amount			
At 31 December 2020	1,754,334	349,528	2,103,862
At 31 December 2019	1,794,821	384,782	2,179,603

18. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 January 2020	1,548,572	575,000	2,123,572
Additions	—	—	—
Disposals	(70,400)	—	(70,400)
Fair value movements	93,106	—	93,106
At 31 December 2020	1,571,278	575,000	2,146,278
Impairment			
At 1 January 2020 and 31 December 2020			—
Carrying amount			
At 31 December 2020	1,571,278	575,000	2,146,278
At 31 December 2019	1,548,572	575,000	2,123,572

All investments shown above are held at valuation.

Listed investments

The aggregate market value of listed investments is £1,571,278 (2019: £1,548,572). The quoted shares are valued at the list price on the LSE at the year end.

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

18. Investments *(continued)*

Investment properties

The investment property is held at fair value which is market value in the opinion of the trustees.

19. Debtors

	2020	2019
	£	£
Trade debtors	18,208	68,893
Prepayments and accrued income	9,000	—
Other debtors	20,785	30,158
	<u>47,993</u>	<u>99,051</u>

20. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	43,487	74,000
Trade creditors	3,334	14,914
Accruals and deferred income	10,574	6,600
Social security and other taxes	—	1,034
Other creditors	6,968	30,433
	<u>64,363</u>	<u>126,981</u>

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

	2020	2019
	£	£
Bank loans and overdrafts	938,356	951,329
Other creditors	3,000	—
	<u>941,356</u>	<u>951,329</u>

The bank loans are secured on the investments of the charity.

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,404 (2019: £3,437).

23. Analysis of charitable funds

Unrestricted funds

	At 01 Jan 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2020 £
General funds	3,095,847	196,710	(323,565)	(10,000)	73,174	3,032,166
Designated Fund - Silver Ornaments	100,575	–	–	–	–	100,575
Designated Fund - Marga Brodie Fund	14,796	180	(500)	–	–	14,476
	<u>3,211,218</u>	<u>196,890</u>	<u>(324,065)</u>	<u>(10,000)</u>	<u>73,174</u>	<u>3,147,217</u>
	At 01 Jan 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2019 £
General funds	2,912,390	249,001	(374,248)	(99,500)	408,204	3,095,847
Designated Fund - Silver Ornaments	100,575	–	–	–	–	100,575
Designated Fund - Marga Brodie Fund	15,296	–	–	(500)	–	14,796
	<u>3,028,261</u>	<u>249,001</u>	<u>(374,248)</u>	<u>(100,000)</u>	<u>408,204</u>	<u>3,211,218</u>

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

23. Analysis of charitable funds *(continued)*

Restricted funds

	At 01 Jan 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2020 £
Restricted Fund - Burial Board	<u>201,576</u>	<u>109,936</u>	<u>(116,928)</u>	<u>10,000</u>	<u>—</u>	<u>204,584</u>
	At 01 Jan 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2019 £
Restricted Fund - Burial Board	<u>113,251</u>	<u>108,340</u>	<u>(120,015)</u>	<u>100,000</u>	<u>—</u>	<u>201,576</u>

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	1,882,948	220,914	2,103,862
Investments	2,146,278	—	2,146,278
Current assets	107,380	—	107,380
Creditors less than 1 year	(48,033)	(16,330)	(64,363)
Creditors greater than 1 year	<u>(941,356)</u>	<u>—</u>	<u>(941,356)</u>
Net assets	<u>3,147,217</u>	<u>204,584</u>	<u>3,351,801</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	1,951,006	228,597	2,179,603
Investments	2,123,572	—	2,123,572
Current assets	187,929	—	187,929
Creditors less than 1 year	(99,960)	(27,021)	(126,981)
Creditors greater than 1 year	<u>(951,329)</u>	<u>—</u>	<u>(951,329)</u>
Net assets	<u>3,211,218</u>	<u>201,576</u>	<u>3,412,794</u>

Manchester Great New & Central Synagogue

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

25. Analysis of changes in net debt

	At 1 Jan 2020 £	Cash flows £	At 31 Dec 2020 £
Cash at bank and in hand	88,878	(29,491)	59,387
Debt due within one year	(74,000)	30,513	(43,487)
Debt due after one year	(951,329)	12,973	(938,356)
	<u>(936,451)</u>	<u>13,995</u>	<u>(922,456)</u>

26. Burial board - contingent liability

The trustees are aware of a deficiency in funding future burial liabilities. The trustees are not able to quantify the deficit with any degree of certainty but are aiming to increase the Burial Board fund to a suitable level to cover major deficiencies.

27. Taxation

Manchester Great New & Central Synagogue 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.