

COMPANY REGISTRATION NUMBER: 09858903
CHARITY REGISTRATION NUMBER: 1168395

Oholei Yosef Yitzchok Lubavitch Schools
Company Limited by Guarantee
Unaudited Financial Statements
31 August 2017

HAS LTD

Chartered accountant
Prince Albert House
2b Mather Avenue
Prestwich
Manchester
M25 0LA

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Financial Statements

Period from 1 December 2016 to 31 August 2017

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Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Period from 1 December 2016 to 31 August 2017

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the period ended 31 August 2017.

Reference and administrative details

Registered charity name Oholei Yosef Yitzchok Lubavitch Schools

Charity registration number 1168395

Company registration number 09858903

Principal office and registered office 460 Bury New Road
Salford
M7 4LH

The trustees Rabbi Y A Cohen
E Eidelman
D M Hickson

Independent examiner Mr Howard Schwalbe ACA
Prince Albert House
2b Mather Avenue
Prestwich
Manchester
M25 0LA

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Period from 1 December 2016 to 31 August 2017

Structure, governance and management

Oholei Yosef Yitzchok Lubavitch Schools is constituted by Memorandum and Articles of Association and is a company limited by guarantee. It was incorporated on 05 November 2015 as a company and the company number is 9858903. It was registered as a charity on 22 July 2016 with a charity number being 1168395.

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

There is no chief executive officer. The day to day affairs are undertaken by Mrs S Klyne 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.

Training and induction of trustees is applied as applicable.

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 running of the school. These risks are managed by the trustees ensuring the right staff are utilised and the right policies are implemented.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all aspects of the school management.

Risk Management

The process of examining the risks to which the Charity is exposed is ongoing and the trustees are planning to further develop systems to monitor and control these risks in order to lessen their potential impact on the Charity.

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.

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Period from 1 December 2016 to 31 August 2017

Objectives and activities

The objects of the charity are: (i) for the public benefit to promote the education (including social and leisure aspects of education) of people under the age of 25 years in the North of England in such ways as the charity trustees think fit, including awarding to such persons scholarships, maintenance allowances or grants; or by grants to charities or other organisations that provide education; or by the provision of education. (ii) The prevention or relief of poverty or financial hardship in the North of England by providing grants or loans to individuals in need and / or charities or other organisations working to prevent or relieve poverty or financial hardship.

Aims

The main aim of the Charity continued to be the provision of a preschool nursery, and educational facilities to Jewish girls, for children aged 2 to 16.

Objectives for the year

This year, the focus has been on the continued achievement of academic performance.

Principal Activities of the year

The nursery and girl's school provided education to 82 children aged 2 to 16. This was achieved by the charity managing a preschool nursery and girl's school.

Grant making policy

The charity would give out grants in line with the above objects.

There were no individual or institutional grants made during the year.

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

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.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Period from 1 December 2016 to 31 August 2017

Achievements and performance

A summary of the results and movements of funds for the year are shown in the Statement of Financial Activities. The school was subject to an OFSTED inspection during the year. The trustees are proud to report that the school attained a satisfactory grading from the inspectors.

Fundraising costs incurred during the year are as disclosed in the notes to the accounts.

The charity has support and governance costs comprising professional fees, administrative wages and sundry other costs.

The school building is owned by a different charity. The trustees are grateful for the use of the building to enable this charity to dispense education to children as outlined above.

There were no investments made during the year.

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

There was an overall net expenditure for the year amounting to £5,854.

Financial review

Results for the year

Donation income in the year amounted to £22,953. Income in respect of contributions and fees amounted to £90,823. Grants receivable amounted to £41,768. Educational expenditure in the year amounted to £161,405.

Reserves Policy

The trustees have reviewed the level of reserves held by the Charity. The review has concluded that to allow the Charity to be managed efficiently and to provide a buffer for uninterrupted services the level of free reserves, being those not tied up in fixed assets, needs to be maintained at not less than six months expenditure.

The reserves stand at £(8,140), all of which are unrestricted.

The trustees' annual report and the strategic report were approved on 03 October 2018 and signed on behalf of the board of trustees by:

Rabbi Y A Cohen
Trustee

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Oholei Yosef Yitzchok Lubavitch Schools

Period from 1 December 2016 to 31 August 2017

I report to the trustees on my examination of the financial statements of Oholei Yosef Yitzchok Lubavitch Schools ('the charity') for the period ended 31 August 2017.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Oholei Yosef Yitzchok Lubavitch Schools *(continued)*

Period from 1 December 2016 to 31 August 2017

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

Mr Howard Schwalbe ACA
Independent Examiner

Prince Albert House
2b Mather Avenue
Prestwich
Manchester
M25 0LA

03 October 2018

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Period from 1 December 2016 to 31 August 2017

		Period from 1 Dec 16 to 31 Aug 17			Period from 5 Nov 15 to 30 Nov 16
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	22,953	41,768	64,721	5,000
Investment income	6	7	–	7	–
Other income	7	90,823	–	90,823	–
Total income		<u>113,783</u>	<u>41,768</u>	<u>155,551</u>	<u>5,000</u>
Expenditure					
Expenditure on charitable activities	8,9	119,637	41,768	161,405	7,286
Total expenditure		<u>119,637</u>	<u>41,768</u>	<u>161,405</u>	<u>7,286</u>
Net expenditure and net movement in funds		<u>(5,854)</u>	<u>–</u>	<u>(5,854)</u>	<u>(2,286)</u>
Reconciliation of funds					
Total funds brought forward		(2,286)	–	(2,286)	–
Total funds carried forward		<u>(8,140)</u>	<u>–</u>	<u>(8,140)</u>	<u>(2,286)</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 9 to 16 form part of these financial statements.

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Statement of Financial Position

31 August 2017

	Note	31 Aug 17 £	£	30 Nov 16 £
Current assets				
Debtors	15	1,258		–
Cash at bank and in hand		<u>104,665</u>		<u>4,134</u>
		105,923		4,134
Creditors: amounts falling due within one year	16	<u>114,063</u>		<u>6,420</u>
Net current liabilities			8,140	2,286
Total assets less current liabilities			(8,140)	(2,286)
Net liabilities			(8,140)	(2,286)
Funds of the charity				
Unrestricted funds			(8,140)	(2,286)
Total charity funds	17		(8,140)	(2,286)

For the period ending 31 August 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 03 October 2018, and are signed on behalf of the board by:

Rabbi Y A Cohen
Trustee

The notes on pages 9 to 16 form part of these financial statements.

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Notes to the Financial Statements

Period from 1 December 2016 to 31 August 2017

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 460 Bury New Road, Salford, M7 4LH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

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

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

Going concern

The charity is a going concern despite the overdrawn reserves and net expenditure for the year. The trustees are confident of the charity's ability to continue to operate for the foreseeable future. This is because the main benefactor has agreed to underwrite any liabilities that the charity is unable to pay out.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 5 Nov 15. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

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.

Fund accounting

Unrestricted funds are those available for use for general purposes at the discretion of the charity trustees and governors in furtherance of the charity's objects.

Restricted funds are from grants received and must be used in line with the grant funder's instructions.

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 December 2016 to 31 August 2017

3. Accounting policies *(continued)*

Incoming resources

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

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

Resources expended

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

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

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

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.

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 December 2016 to 31 August 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

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

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

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

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

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

4. Limited by guarantee

Oholei Yosef Yitzchok Lubavitch Schools is a registered charity and a company limited by guarantee and does not have a share capital. In the event of the charity being wound up, members are required to contribute an amount not exceeding £10.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	22,953	–	22,953

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 December 2016 to 31 August 2017

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Grants			
Salford CC	–	21,394	21,394
Security grants - CST	–	20,374	20,374
	<u>22,953</u>	<u>41,768</u>	<u>64,721</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	5,000	–	5,000
Grants			
Salford CC	–	–	–
Security grants - CST	–	–	–
	<u>5,000</u>	<u>–</u>	<u>5,000</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Bank interest receivable	<u>7</u>	<u>7</u>	<u>–</u>	<u>–</u>

7. Other income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Voluntary contributions	<u>90,823</u>	<u>90,823</u>	<u>–</u>	<u>–</u>

Oholei Yosef Yitzchok Lubavitch Schools

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Notes to the Financial Statements *(continued)*

Period from 1 December 2016 to 31 August 2017

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
OYY Lubavitch Girls School	112,098	41,768	153,866
Support costs	7,539	–	7,539
	<u>119,637</u>	<u>41,768</u>	<u>161,405</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
OYY Lubavitch Girls School	5,000	–	5,000
Support costs	2,286	–	2,286
	<u>7,286</u>	<u>–</u>	<u>7,286</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
OYY Lubavitch Girls School	153,866	6,339	160,205	5,066
Governance costs	–	1,200	1,200	2,220
	<u>153,866</u>	<u>7,539</u>	<u>161,405</u>	<u>7,286</u>

10. Analysis of support costs

	Analysis of support costs £	Total 2017 £	Total 2016 £
Staff costs	6,281	6,281	–
General office	58	58	1,866
Governance costs	1,200	1,200	420
	<u>7,539</u>	<u>7,539</u>	<u>2,286</u>

11. Analysis of grants

	Period from 1 Dec 16 to 31 Aug 17 £	Period from 5 Nov 15 to 30 Nov 16 £
Grants to institutions		
Lubavitch Yeshiva	–	5,000
Total grants	<u>–</u>	<u>5,000</u>

Oholei Yosef Yitzchok Lubavitch Schools

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Notes to the Financial Statements *(continued)*

Period from 1 December 2016 to 31 August 2017

12. Independent examination fees

	Period from 1 Dec 16 to 31 Aug 17 £	Period from 5 Nov 15 to 30 Nov 16 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	1,200	420
Other financial services	–	1,800
	<u>1,200</u>	<u>2,220</u>

13. Staff costs

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

	Period from 1 Dec 16 to 31 Aug 17 £	Period from 5 Nov 15 to 30 Nov 16 £
Wages and salaries	122,373	–
Social security costs	1,364	–
	<u>123,737</u>	<u>–</u>

The average head count of employees during the period was 23 (2016: Nil). The average number of full-time equivalent employees during the period is analysed as follows:

	31 Aug 17 No.	30 Nov 16 No.
Number of teaching staff	22	–
Number of administrative staff	1	–
	<u>23</u>	<u>–</u>

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

14. Trustee remuneration and expenses

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

15. Debtors

	31 Aug 17 £	30 Nov 16 £
Prepayments and accrued income	1,258	–
	<u>1,258</u>	<u>–</u>

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 December 2016 to 31 August 2017

16. Creditors: amounts falling due within one year

	31 Aug 17	30 Nov 16
	£	£
Accruals and deferred income	1,200	420
Social security and other taxes	373	–
Other creditors	112,490	6,000
	<u>114,063</u>	<u>6,420</u>

17. Analysis of charitable funds

Unrestricted funds

	At 01 Dec 2016	Income	Expenditure	At 31 Aug 2017
	£	£	£	£
General funds	(2,286)	113,783	(119,637)	(8,140)

Restricted funds

	At 01 Dec 2016	Income	Expenditure	At 31 Aug 2017
	£	£	£	£
Restricted Fund - grants received	–	41,768	(41,768)	–

18. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£
Current assets	105,923	105,923	4,134
Creditors less than 1 year	(114,063)	(114,063)	(6,420)
Net liabilities	<u>(8,140)</u>	<u>(8,140)</u>	<u>(2,286)</u>

19. Related parties

Mr D M Hickson, trustee of Oholei Yosef Yitzchok Lubavitch Schools, is also a trustee of Yeshivas Lubavitch Manchester.

During the year Oholei Yosef Yitzchok Lubavitch Schools received a donation of £1,000 from Yeshivas Lubavitch Manchester.

Oholei Yosef Yitzchok Lubavitch Schools

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 1 December 2016 to 31 August 2017

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 5 November 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the period.

21. Taxation

Oholei Yosef Yitzchok Lubavitch Schools 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.