

**The Chai Institute**

**Charity number 1069064**

*Accounts*

For The Year Ended

31 August 2022

## **The Chai Institute**

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## **The Chai Institute**

### **Legal And Administrative Information**

#### **Trustees**

Y Hertz  
Z Lieberman  
R Rubin

#### **Charity's Correspondent Address**

62 The Grove  
Edgware  
Middlesex  
HA8 9QB

#### **Details of Formation**

The charity is constituted by declaration of trust dated 10 March 1998  
and registered with the charity commission on 7 April 1998  
under charity number 1069064

#### **Bankers**

NatWest

#### **Independent Examiner**

J Cowan, FCA  
Albeck Limited  
Chartered Accountants  
49 Mowbray Road  
Edgware  
Middlesex  
HA8 8JL

## **The Chai Institute**

### **Trustees' Annual Report**

The trustees present their report and the accounts of the charity for the period ended 31 August 2022. The accounts have been prepared in accordance with the accounting policies set out on pages 9 and 10 and comply with the charity's trust deed and applicable law.

Legal and administrative information set out on page 1 forms part of this report.

### **Constitution and Objects of the Charity**

The charity is constituted by declaration of trust dated 10 March 1998 and registered with the charity commission on 7 April 1998 under charity number 1069064.

The charity's objects are (a) the advancement of the Orthodox Jewish religion, (b) the advancement of Orthodox Jewish religious education and education generally, (c) the relief of poverty, and (d) such other purposes as the trustees consider to be for the public benefit and are charitable according to English law.

The trustees must use the income and may use the capital of the charity in promoting the objects.

### **Trustees and Governance**

The trustees in office in the period were as follows:

Y Hertz  
Z Lieberman  
R Rubin

The power of appointing a new trustee or trustees hereof shall be vested in a majority in number of the trustees or if there is only one trustee for the time being the provisions of section 36 Trustees Act 1925 shall have affect.

### **Charity's Activities and Achievements**

Incoming resources have been marginally lower in the year under review than in the previous year. The trustees have had to reduce grant provisions as a result, however, they are hopeful that support will rise again in the coming year.

The trustees would like to extend their appreciation to all of the charity's supporters, particularly given the challenges faced by society and are very pleased with the level of success that the charity has achieved in helping to reduce the financial pressures on academic institutions and also on the local charities and families who receive support from the charity. Although the work is very demanding for the trustees, they see the results of their work on a regular basis.

The trustees are aware of the Charity Commission guidance on public benefit reporting as set out in Section 4 Charities Act 2011. The trustees believe that the charity achieves a public benefit through these objects.

## **The Chai Institute**

### **Trustees' Annual Report (Continued)**

#### **Investments Policy**

The charity has a bank current account. This is the only investment to which the charity has title. In the event that there are significant surplus funds, the trustees will place such funds into a term deposit account.

#### **Reserves Policy**

Due to the charity not having any particular long term commitments and few overheads, it is rare for the charity to need to retain reserves. As a result, as soon as funds are available there is usually a long list of worthy causes and projects that the trustees consider for loan, grant or donation and so the retention of reserves is therefore not a regular occurrence or option.

#### **Grant and Donation Making Policy**

The charity's policy is to act according to the trust deed which enables grants and donations to be made from both income and capital.

All applications to the charity for grants, donations or loans are considered carefully by the trustees at regular meetings. On most occasions, if the trustees feel that the application meets their approval in principle, they will meet applicants face to face and discuss with them the most effective way of providing assistance. The trustees usually then have a further meeting before making a decision as to whether assistance should be granted, and if so, in what form and to what level.

The trustees find that this is the most effective way of aiding applicants as it allows them flexibility in terms of deciding whether they will assist by way of a donation or an interest free loan and also ensures that each application is considered fairly.

#### **Risk Management**

The trustees regularly undertake a review of the major risks to which the charity is exposed, and systems designed to mitigate those risks are considered on an ongoing basis.

There are two major risks that the trustees have identified, as follows:

##### **(a) Fall in the level of donations**

The level of donations is fundamental to the operation of the charity. Given the challenges in the UK economy, the consistency of donations is of major importance. The trustees have tried to mitigate against a fall in the level of donations by encouraging donors to provide their donation by monthly standing order. The trustees are making every effort to increase the number of donors by seeking support from the local community in an attempt to reduce their current reliance on a few key donors. The trustees also make every effort to keep in regular contact with their donors so that they are kept informed of the difference that their contributions are making.

**The Chai Institute****Trustees' Annual Report (Continued)****Risk Management (continued)****(b) Misappropriation of funds**

The control of funds is key to any charity. All bank statements are reviewed regularly by the trustees. Due to the high involvement of the trustees in the day to day running of the charity, there is little risk of misappropriation of funds. The trustees are confident that the independent examination will assist in identifying any misappropriation.

**Related Party Transactions**

Rabbi Z Lieberman, one of the trustees, has advanced monies to the charity to allow the charity to carry out further charitable activities. At the year end, the balance due to Rabbi Lieberman was £Nil (2021: £1,218). The loan is interest free and repayable on demand. However, Rabbi Lieberman has provided confirmation that he will not request repayment of the loan until the charity is able to repay the funds without it having any detrimental effect on the charity's activities.

**Trustees' Responsibilities in Relation to the Accounts**

Law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period, which give a true and fair view of the state of the charity's financial activities during the period and of its financial position at the end of the period.

In preparing those accounts, the trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. follow applicable UK accounting standards and the Statement of Recommended Practice, subject to any departures disclosed and explained in the accounts;
- d. prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**The Chai Institute**

Trustees' Annual Report (Continued)

**Trustees' Responsibilities in Relation to the Accounts** (continued)

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. 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.

Approved by the trustees and signed by their order.

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**R Rubin**  
Trustee

*29 June 2023*

Independent Examiner's Report

to the Trustees of

**The Chai Institute**

for the Year Ended 31 August 2022

I report on the accounts of the trust for the year ended 31 August 2022, which are set out on pages 7 to 11.

**Responsibilities and basis of the report**

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

I report in respect of my examination of the charity's accounts as carried out under section 145 of the 2011 Act and 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 that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements concerning the form and content of accounts set out in the *Charities (Accounts and Reports) Regulations 2008* other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or

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.

**Justin Cowan, FCA**

**Albeck Limited**  
Chartered Accountants  
49 Mowbray Road  
Edgware  
Middlesex  
HA8 8JL

29 June 2023



**The Chai Institute**

Statement of Financial Activities  
for the Year Ended 31 August 2022

	Note	2022 £	2021 £
<b>Incoming resources</b>			
Voluntary Income	(2)	162,733	197,356
Investment Income	(2)	-	-
		<u>          </u>	<u>          </u>
<b>Total incoming resources</b>	(4)	162,733	197,356
		<u>          </u>	<u>          </u>
<b>Resources expended</b>			
<i>Charitable expenditure</i>			
Grants	(3)	161,076	210,326
Office costs	(3)	<u>      79</u>	<u>      105</u>
		161,155	210,431
		<u>          </u>	<u>          </u>
<i>Governance costs</i>		-	-
		<u>          </u>	<u>          </u>
<b>Total resources expended</b>	(3, 4)	(161,155)	(210,431)
		<u>          </u>	<u>          </u>
<b>Net movement in funds</b>		1,578	(13,075)
<b>Total funds brought forward</b>		<u>34,126</u>	<u>47,201</u>
<b>Total funds carried forward</b>	(4, 5)	<u>£35,704</u>	<u>£34,126</u>

All of the charity's funds are unrestricted.

The notes on pages 9 to 13 form part of these accounts.

# **The Chai Institute**

## **Balance Sheet**

as at 31 August 2022

	Note	2022 £	2021 £
<b>Current Assets</b>			
Cash at bank and in hand		25,586	19,830
Debtors	(7)	<u>10,118</u>	<u>15,515</u>
		35,704	35,344
<b>Creditors:</b> Amounts falling due within one year	(8)	<u>-</u>	<u>(1,218)</u>
		<u>£35,704</u>	<u>£34,126</u>
<b>Income funds</b>			
Unrestricted funds	(4, 5)	<u>£35,704</u>	<u>£34,126</u>

All of the charity's funds are unrestricted.

These accounts were approved on 29 June 2023 and signed on behalf of the trustees.

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**Z Lieberman**  
Trustee

The notes on pages 9 to 13 form part of these accounts.

**The Chai Institute**

Notes to the Accounts - 31 August 2022

**1. Accounting Policies****a. Basis of Accounting**

These accounts have been prepared in compliance with FRS102, 'The Financial Reporting Standard in the UK and the Republic of Ireland', the Statement of Recognised Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

**b. Basis of preparation**

The accounts have been prepared on the historical cost basis.

**c. Going concern**

There are no material uncertainties regarding the charity's ability to continue and, as such, the accounts have been prepared on the going concern basis.

**d. Judgements and key sources of uncertainty from estimation**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**e. Fund accounting**

General unrestricted funds comprise the accumulated surplus or deficit on the income and expenditure account. They are available for the use at the discretion of the trustees in furtherance of the general objects of the charity.

Restricted funds are subject to specific restricted conditions as imposed by the donors. There are no restricted funds at the year end.

Designated funds are funds which have been set aside at the discretion of the trustees for specific purposes. There are no designated funds at the year end.

**f. Donations and voluntary income**

Donations are accounted for when the charity becomes entitled to the donation and any conditions for receipt are met.

## The Chai Institute

### Notes to the Accounts - 31 August 2022 (continued)

#### 1. Accounting Policies (Continued)

##### g. Grants and donations payable

Grants and donations payable are charged in the year in which the payment of funds is conveyed to the recipient.

The charity has a small fund set aside to provide emergency grants for the relief of poverty. These grants are to be made only to residents of Edgware and the immediately surrounding areas. All grants and donations made must be approved by the majority of the trustees, however, in almost all occasions, the trustees will not make a grant or donation if there is an objection by any of the trustees.

##### h. Support costs

Support costs are those costs which are common to all areas of the organisation. These are allocated across all areas of activity based on the number of service users for each activity.

##### i. Governance costs

Governance costs are associated with the governance arrangements of the charity and relate to the general running of the charity.

##### j. Cash Flow

The accounts do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirement to prepare such a statement.

#### 2. Incoming resources

	2022	2021
	£	£
<i>Voluntary income</i>		
Donations received (including gift aid recoverable)	£162,733	£197,356
	=====	=====
<i>Investment income</i>		
Bank interest receivable	£ -	£ -
	=====	=====

# **The Chai Institute**

## Notes to the Accounts - 31 August 2022 (continued)

### 3. Grants

Charitable grants and donations totaling £161,076 (2021: £210,327) were made for the following purposes:

	2022 £	2021 £
Academic grants	10,500	15,160
Family support	49,617	48,220
Grants to educational organisations	27,500	43,130
Grants to religious organisations	32,470	78,441
Welfare	<u>40,989</u>	<u>25,375</u>
	<u>£161,076</u>	<u>£210,326</u>

Details of material grants are available on request to the trustees.

### Office costs

Bank service charges	79	-
Professional fees	-	-
Sundries	<u>-</u>	<u>105</u>
	<u>£ 79</u>	<u>£ 105</u>

### 4. Unrestricted funds

At 1 September 2021	34,126	47,201
Incoming resources	162,733	197,356
Resources expensed	<u>(161,155)</u>	<u>(210,431)</u>
At 31 August 2022	<u>£ 35,704</u>	<u>£ 34,126</u>

### 5. Analysis of net assets between funds

Current assets	35,704	35,344
Creditors due in less than once year	<u>-</u>	<u>(1,218)</u>
	<u>£ 35,704</u>	<u>£ 34,126</u>

# **The Chai Institute**

## Notes to the Accounts - 31 August 2022 (continued)

### 6. **Analysis of staff costs**

The charity has no employees and no staff costs in the year or the prior year.

7. <b>Debtors</b>	2022 £	2021 £
Charitable loans	10,118	15,515
Gift aid recoverable	<u>-</u>	<u>-</u>
	<u>£10,118</u>	<u>£15,515</u>

### 8. **Creditors:** Amounts falling due within one year

Other creditors	£ -	£ 1,218
	<u>=====</u>	<u>=====</u>

Other creditors represents a loan advanced by Rabbi Z Lieberman, one of the trustees. The loan is interest free and repayable on demand, however, Rabbi Lieberman has provided confirmation that he will not request repayment of the loan until the charity is able to repay the funds without it having any detrimental effect on the charity's activities.

### 9. **Trustee Expenses**

No expenses were paid to the trustees during the period.

### 10. **Declarations**

#### a. Designated Funds

The charity does not have any designated funds.

#### b. Discontinued, Continuing and Acquired Operations

All the charity's operations are continuing operations and there were no operations discontinued or acquired in the period.

#### c. Funds in Deficit

There were no funds in deficit at the period end.

**The Chai Institute**

Notes to the Accounts - 31 August 2022 (continued)

**10. Declarations (continued)**

d. Inalienable or Historic Assets

The charity had no assets at the balance sheet date classed as inalienable or historic.

e. Intangible Assets

The charity has no intangible assets.

f. Uncapitalised Fixed Assets

The charity has no material fixed assets which have not been capitalised and included on the balance sheet.

**11. Related party transactions**

Rabbi Z Lieberman, one of the trustees, has advanced monies to the charity to allow the charity to carry out further charitable activities. At the year end, the balance due to Rabbi Lieberman was £Nil (2021: £1,218). The loan is interest free and repayable on demand, however, Rabbi Lieberman has provided confirmation that he will not request repayment of the loan until the charity is able to repay the funds without it having any detrimental effect on the charity's activities.