

Charity registration number: 1128933

# Chabad Lubavitch

Annual Report and Financial Statements  
for the Year Ended 31 December 2021

## **Chabad Lubavitch**

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## **Chabad Lubavitch**

### **Reference and Administrative Details**

<b>Trustees</b>	Mrs. R.Marks Rabbi D. Jaffe Mrs. R. Silverstone
<b>Principal Office</b>	3 The Firs Bowdon Altrincham WA14 2TN
<b>Charity Registration Number</b>	1128933
<b>Independent Examiner</b>	Shacter Cohen & Bor Chartered Accountants 31 Sackville Street Manchester M1 3LZ

## **Chabad Lubavitch**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2021.

#### **Structure , governance and management**

The governing document of the Charity is its Memorandum and Articles of Association incorporated on 8 April 2008, as amended by special resolution on 1 April 2009. The Chair is responsible for making existing and new trustees aware of their responsibilities under Charity law and arranging appropriate induction and training.

#### **Risk management**

The Board of Trustees have considered the major risks to which the Charity is exposed, have reviewed those risks and have established systems and procedures to manage risks.

#### **Objectives and activities**

##### *Objects and aims*

The charity formally exists according to its memorandum for the advancement of education , the relief of poverty , sickness or hardship and other charitable purposes for the benefit of disadvantaged, underprivileged and disabled communities primarily in the Greater Manchester area, by the provision of facilities , education, training, advocacy, advice and social welfare.

##### *Public benefit*

The purpose of the charity is to benefit children, young people and old people and families in the area covered by the charity's activities, again through the support and services of Lubavitch South Manchester.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Charity relies on volunteers to support its programmes and activities. Over the past year LSM has used 170 volunteers who have delivered over 6,500 hours of support, without which we would be unable to carry out the full range of our charitable activities.

#### **Achievements and performance**

We have been able in the past year to maintain our provision of activities and work with disadvantaged, underprivileged and disabled people of all ages across Greater Manchester.

#### **Education and Outreach**

Through the good services of LSM , we have reached approximately 23,000 people including 3,000 children and young people, with Education and Outreach, connecting individuals with educational, social and developmental activities.

#### **Crisis, Social Welfare and Support**

We have supported LSM and a new initiative called Eemacare (supporting single mums and their children) who have worked with 150 families in crisis and helped them to deal with housing issues, improve skills for employment or training and maintain positive mental health. We continue to see a rise in social issues, such as substance abuse, domestic violence especially amongst the younger ages. We continue in supporting beneficiaries to turn their lives around. Senior and Social Care programmes and services have reached 450 elderly, lonely and needy people

#### **Community Programmes and Enrichment**

We have supported a successful speakers programme on community, moral and social issues throughout the year for adults and for children , offering the space to reflect on life and lifestyle changes that can improve their and their family's social and/or economic situation or inform their decisions and actions.

## **Chabad Lubavitch Trustees' Report (continued)**

### **Volunteers**

The Charity relies on volunteers to support its programmes and activities. Over the past year the Charity has used 140 volunteers who have delivered over 2,300 hours of support, without which we would be unable to carry out the full range of our charitable activities.

### **Reserves policy**

The trustees have reviewed the reserves policy and, in accordance with Charity Commission guidelines, have considered the level of unrestricted reserves which it is appropriate for the Charity to hold with the imperative that it should be able to continue to meet its charitable objectives in the short term in the event of a temporary shortfall in unrestricted income. The trustees feel it is appropriate to work to build up reserves to hold sufficient free funds to cover core expenditure required to maintain activities for six months.

### **Financial review**

For the year ended 31 December 2021 the organisation had a net deficit of £18,967 (2020 net income of £38,857). The total reserves at 31 December 2021 stood at £10,744 (all unrestricted) (2020 £29,711 of which £17,211 was unrestricted and £12,500 was restricted.).

### **Plans for future periods**

The Charity plans to continue and expand its work in all areas. Covid has sent the Charity into new and exciting areas, especially in the support of isolated people. We intend to engage with more people from all walks of life, finding out the type of services and support they both want and need. Also due to the challenging economic climate, we are approached by more and more people who are out of work, unable to afford rent and getting into difficulties with their housing arrangements or debt. We will continue to address all the issues befalling a family, and we pride ourselves on not passing families round the system, but keeping them under our umbrella and providing a personalised approach, which is shown to have positive results for some of Greater Manchester's most disadvantaged families and individuals. We will further invest in fundraising to enable us to extend existing services to be able to meet the actual need on the ground as well as pilot new preventative projects to meet this need and build on our current strong network providers who might be able to offer additional support to our service.

Signed

Rabbi D. Jaffe (Trustee)

7 October 2022

## **Chabad Lubavitch**

### **Statement of Trustees' Responsibilities**

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 7 October 2022. and signed on its behalf by:

.....  
Rabbi D. Jaffe  
Trustee

## **Chabad Lubavitch**

### **Independent Examiner's Report to the trustees of Chabad Lubavitch**

I report on the accounts of the charity for the year ended 31 December 2021 which are set out on pages 7 to 14.

#### **Respective responsibilities of trustees and examiner**

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

I report in respect of my examination of the Chabad Lubavitch's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

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

1. accounting records were not kept in respect of Chabad Lubavitch as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

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.

.....  
Shacter Cohen & Bor  
Chartered Accountants  
31 Sackville St.  
Manchester  
M1 3LZ

7 October 2022

# Chabad Lubavitch

## Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Donations and legacies (Unrestricted)		329,667	329,667
Bank interest received		<u>11</u>	<u>11</u>
<b>Total income</b>		<u>329,678</u>	<u>329,678</u>
<b>Expenditure on:</b>			
Charitable activities		<u>(348,645)</u>	<u>(348,645)</u>
Total expenditure		<u>(348,645)</u>	<u>(348,645)</u>
Net expenditure		<u>(18,967)</u>	<u>(18,967)</u>
Net movement in funds		(18,967)	(18,967)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>29,711</u>	<u>29,711</u>
Total funds carried forward	8	<u>10,744</u>	<u>10,744</u>



# Chabad Lubavitch

## (Registration number: 1128933) Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Cash at bank and in hand	6	<u>24,175</u>	<u>43,142</u>
		24,175	43,142
<b>Creditors: Amounts falling due within one year</b>	7	<u>(13,431)</u>	<u>(13,431)</u>
<b>Net assets</b>		<u>10,744</u>	<u>29,711</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		-	12,500
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>10,744</u>	<u>17,211</u>
<b>Total funds</b>	8	<u>10,744</u>	<u>29,711</u>

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on 7 October 2022 and signed on their behalf by:

Rabbi D. Jaffe  
Trustee

## **Chabad Lubavitch**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Chabad Lubavitch meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### ***Donations and legacies***

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

##### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

## **Chabad Lubavitch**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Fund structure**

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## **Chabad Lubavitch**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

#### ***Derivative financial instruments***

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## Chabad Lubavitch

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 2 Income from donations and legacies

	Unrestricted funds Other £	Total funds £
Donations and legacies	<u>329,667</u>	<u>329,667</u>
<b>Total for 2021</b>	<u>329,667</u>	<u>329,667</u>
<b>Total for 2020</b>	<u>246,069</u>	<u>246,069</u>

#### 3 Income from donations

	Restricted funds £	Total funds £
<b>Total for 2020</b>	<u>12,500</u>	<u>12,500</u>

#### 4 Trustees Remuneration and Expenses

No trustees, nor any person connected with them, have received any remuneration from the Charity during the year.

#### 5. Taxation

The Charity is a Registered Charity and therefore is exempt from taxation.

#### 6. Cash and cash equivalents

	2021 £	2020 £
Cash at Bank	<u>24,175</u>	<u>43,132</u>

# Chabad Lubavitch

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	13,431	13,431

### 8 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
<b>Restricted and Unrestricted funds</b>				
<b>Total</b>	29,711	329,678	(348,645)	10,744
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>				
Other	(9,146)	246,074	(219,717)	17,211
<b>Restricted funds</b>	-	12,500	-	12,500
<b>Total funds</b>	(9,146)	258,569	(219,717)	29,711

## Chabad Lubavitch

### Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	Total 2021 £	Total 2020 £
<b>Income and Endowments from:</b>		
Donations and legacies (unrestricted)	329,667	246,069
Donations received (restricted)	-	12,500
Bank interest received	11	5
	<hr/>	<hr/>
Total income	329,678	258,574
<b>Expenditure on:</b>		
Charitable activities (analysed below)	(338,645)	(219,717)
	<hr/>	<hr/>
Total expenditure	(348,645)	(219,717)
	<hr/>	<hr/>
Net (expenditure)/income	(18,967)	38,857
	<hr/>	<hr/>
Net movement in funds	(18,967)	38,857
<b>Reconciliation of funds</b>		
Total funds brought forward	29,711	(9,146)
	<hr/>	<hr/>
Total funds carried forward	10,744	29,711
	<hr/>	<hr/>

## Chabad Lubavitch

### Detailed Statement of Financial Activities for the Year Ended 31 December 2021 (continued)

	Total 2021 £	Total 2020 £
<i><b>Donations &amp; legacies (unrestricted)</b></i>		
Appeals and donations	329,667	246,069
	<u>329,667</u>	<u>246,069</u>
<i><b>Donations (restricted)</b></i>		
Appeals and donations	-	12,500
	<u>-</u>	<u>12,500</u>
<i><b>Other income</b></i>		
Bank interest	11	5
	<u>11</u>	<u>5</u>
<i><b>Charitable activities</b></i>		
Single parent families	(9,984)	-
Subscriptions	(198)	(216)
Rent	(9,600)	(9,600)
Telephone and fax	(7,048)	(5,810)
Office and administrative expenses	(10,198)	(13,904)
Senior programmes and care	(41,248)	(31,610)
General Lubavitch activities	(74,873)	(74,246)
Youth support community programmes and events	(82,078)	(25,841)
Welfare and support	(96,560)	(48,294)
Advertising and printing	(15,577)	(8,404)
Bank charges	(12)	(112)
Accountancy fees	(1,269)	(1,680)
	<u>(348,645)</u>	<u>(219,717)</u>

General Lubavitch activities includes bereavement support and burials ; kaddish prayers ; kitchen koshering ; mezuzah and tefillin checking ; escorts to synagogue ; community integration events ; one to one learning ; relationship counselling ; homeless and housing support rents and deposits ; meals on wheels ; hospital visits ; shopping assistance ; emergency funds ; Chanukah presents for needy children ;furniture and household items ;clothing and essentials ; holiday camp fund and more.