

REGISTERED COMPANY NUMBER: 08542368 (England and Wales)
REGISTERED CHARITY NUMBER: 1154533

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2023
FOR
CHABAD LUBAVITCH OF SOUTH LONDON

Joseph Kahan Associates LLP
Chartered Accountants
923 Finchley Road
London
NW11 7PE

CHABAD LUBAVITCH OF SOUTH LONDON

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FOR THE YEAR ENDED 28TH FEBRUARY 2023**

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CHABAD LUBAVITCH OF SOUTH LONDON

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28TH FEBRUARY 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 28th February 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are specifically restricted to the following:

1. The advancement of the Orthodox Jewish religion in accordance with the principles of Chabad Lubavitch,
2. The advancement of Orthodox Jewish religion education and,
3. The relief of poverty, homelessness and financial crisis management.

Public benefit

The benefits of the above activities afforded to the Jewish population of South London by the provision of the advancement of Orthodox Jewish religion and religious education in the education of a by and large completely ignorant Jewish community who have not been raised religiously and are not able to read Hebrew, find their way through Jewish prayer book, keep a kosher kitchen and observe all the rites and practices according to the Jewish code of law.

The education services offered to the local Jewish population are many and largely free, with some specialists lectures having a suggested voluntary donation. However, no one is refused from attending any lectures due to their not being able to pay.

Whilst the above activities are offered in and focus primarily on the Jewish population of South London, it is not restricted as such, and anyone is invited to attend.

The object of the relief of poverty, homelessness and financial crisis management, again while being aimed primarily at the local Jewish population, is not restricted to those as such, and there have been instances where persons of a non-Jewish faith have received the same standard of care, warmth and counselling as their Jewish counterparts.

FINANCIAL REVIEW

Reserves policy

The charity's reserves policy is to maintain sufficient reserves to enable the charity to continue its activities and services at a meaningful level, should there be a drop in income. The trustees review this position on a regular basis.

In view of this the trustees aim to maintain a level of reserves sufficient to meet three months basic operating cost once the refurbishment of the Chabad House building project is completed.

The Statement of Financial Activities shows cash reserves of £76,083 (2022 £12,890) as at 28th February 2023..

The charity (CLOSL) managed to raise sufficient funds to discharge the loan held by Chabad Lubavitch UK (Registered Charity), on 42 St Georges Road, Wimbledon SW19 4ED and as a result this property was transferred to CLOSL and was subsequently revalued by an Independent Valuer at £2.25M. The gain on the Freehold Valuation is shown in the SOFA.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The trustees have considered the effect of the COVID-19 outbreak that has been spreading throughout the world in early 2020 on the Charity's activities. The assessment related to disruption that might be caused to the Charity's operations. At the date of approval of these financial statements, the trustees have assessed the extent and quantum of the disruption which remains uncertain at this time. The trustees have prepared cash flow forecasts and profit projections which demonstrate the charity can continue as a going concern.

CHABAD LUBAVITCH OF SOUTH LONDON

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28TH FEBRUARY 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

All Directors of the company are also Trustees of the Charity, and there are no other Trustees. All of the Trustees named above served throughout the year. The Board has the power to appoint additional trustees as it considers fit to do so.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08542368 (England and Wales)

Registered Charity number

1154533

Registered office

42 St George's Road
Wimbledon
London
SW19 4ED

Trustees

E Itzinger
S Giffen
M Zavdi
D Duboy

Independent Examiner

Akiva Kahan FCA
Joseph Kahan Associates LLP
Chartered Accountants
923 Finchley Road
London
NW11 7PE

Approved by order of the board of trustees on 10th December 2023 and signed on its behalf by:

D Duboy - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHABAD LUBAVITCH OF SOUTH LONDON**

Independent examiner's report to the trustees of Chabad Lubavitch of South London ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 28th February 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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 Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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)).

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.

Akiva Kahan FCA

Joseph Kahan Associates LLP
Chartered Accountants
923 Finchley Road
London
NW11 7PE

Date: December 2023

CHABAD LUBAVITCH OF SOUTH LONDON

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	223,594	-	223,594	96,258
EXPENDITURE ON					
Charitable activities	3				
Accountancy		1,080	-	1,080	-
Sundries		2,390	-	2,390	255
Building repairs and refurbishment		2,415	-	2,415	2,987
Charitable activities		87,796	-	87,796	43,739
Depreciation		(24,182)	17,172	(7,010)	26,739
Governance		805	-	805	2,510
Travel & motor expenses		4,685	-	4,685	4,071
Computer consumables		493	-	493	1,608
Rent		25,908	-	25,908	11,338
Total		101,390	17,172	118,562	93,247
NET INCOME/(EXPENDITURE)					
Transfers between funds	12	122,204 (849,695)	(17,172) 849,695	105,032 -	3,011 -
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		-	1,133,387	1,133,387	-
Net movement in funds		(727,491)	1,965,910	1,238,419	3,011
RECONCILIATION OF FUNDS					
Total funds brought forward		420,528	8,918	429,446	426,435
TOTAL FUNDS CARRIED FORWARD		<u>(306,963)</u>	<u>1,974,828</u>	<u>1,667,865</u>	<u>429,446</u>

The notes form part of these financial statements

CHABAD LUBAVITCH OF SOUTH LONDON

**STATEMENT OF FINANCIAL POSITION
28TH FEBRUARY 2023**

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	8	9,627	1,974,828	1,984,455	746,762
CURRENT ASSETS					
Cash at bank		76,083	-	76,083	12,890
CREDITORS					
Amounts falling due within one year	9	(62,673)	-	(62,673)	(255,206)
NET CURRENT ASSETS		<u>13,410</u>	<u>-</u>	<u>13,410</u>	<u>(242,316)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		23,037	1,974,828	1,997,865	504,446
CREDITORS					
Amounts falling due after more than one year	10	(330,000)	-	(330,000)	(75,000)
NET ASSETS		<u>(306,963)</u>	<u>1,974,828</u>	<u>1,667,865</u>	<u>429,446</u>
FUNDS	12				
Unrestricted funds				(306,963)	420,528
Restricted funds				<u>1,974,828</u>	<u>8,918</u>
TOTAL FUNDS				<u>1,667,865</u>	<u>429,446</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28th February 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 28th February 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

CHABAD LUBAVITCH OF SOUTH LONDON
STATEMENT OF FINANCIAL POSITION - continued
28TH FEBRUARY 2023

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

The financial statements were approved by the Board of Trustees and authorised for issue on 10th December 2023 and were signed on its behalf by:

D Duboy - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28TH FEBRUARY 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

1. ACCOUNTING POLICIES - continued**Financial instruments****Debtors**

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	216,327	96,258
Gift aid	7,267	-
	<u>223,594</u>	<u>96,258</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs £	Totals £
Accountancy	-	1,080	1,080
Sundries	2,390	-	2,390
Building repairs and refurbishment	2,415	-	2,415
Charitable activities	87,796	-	87,796
Depreciation	(7,010)	-	(7,010)
Governance	-	805	805
Travel & motor expenses	4,685	-	4,685
Computer consumables	493	-	493
Rent	25,908	-	25,908
	<u>116,677</u>	<u>1,885</u>	<u>118,562</u>

CHABAD LUBAVITCH OF SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

4. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Depreciation - owned assets	18,626	26,740

5. TRUSTEES' REMUNERATION AND BENEFITS

Rabbi D Duboy a Trustee, received remuneration of £1,578 (2022 £NIL) for the provision of non Trustee related services.

Trustees' expenses

There were no trustees' expenses paid for the year ended 28th February 2023 nor for the year ended 28th February 2022.

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2023	2022
	2	-
Rabbinical		

No employees received emoluments in excess of £60,000.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	96,258	-	96,258
EXPENDITURE ON			
Charitable activities			
Sundries	255	-	255
Building repairs and refurbishment	2,987	-	2,987
Charitable activities	43,739	-	43,739
Depreciation	26,739	-	26,739
Governance	2,510	-	2,510
Travel & motor expenses	4,071	-	4,071
Computer consumables	1,608	-	1,608
Rent	11,338	-	11,338
Total	93,247	-	93,247
NET INCOME	3,011	-	3,011
RECONCILIATION OF FUNDS			
Total funds brought forward	417,517	8,918	426,435

CHABAD LUBAVITCH OF SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>420,528</u>	<u>8,918</u>	<u>429,446</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Improvement to leasehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1st March 2022	-	769,088	7,384	-	776,472
Additions	858,613	-	1,371	6,400	866,384
Revaluations	1,133,387	-	-	-	1,133,387
Reclassification	-	(769,088)	-	-	(769,088)
At 28th February 2023	<u>1,992,000</u>	<u>-</u>	<u>8,755</u>	<u>6,400</u>	<u>2,007,155</u>
DEPRECIATION					
At 1st March 2022	-	25,636	4,074	-	29,710
Charge for year	17,172	-	1,054	400	18,626
Charge written back	-	(25,636)	-	-	(25,636)
At 28th February 2023	<u>17,172</u>	<u>-</u>	<u>5,128</u>	<u>400</u>	<u>22,700</u>
NET BOOK VALUE					
At 28th February 2023	<u>1,974,828</u>	<u>-</u>	<u>3,627</u>	<u>6,000</u>	<u>1,984,455</u>
At 28th February 2022	<u>-</u>	<u>743,452</u>	<u>3,310</u>	<u>-</u>	<u>746,762</u>

Cost or valuation at 28th February 2023 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	1,133,387	-	-	1,133,387
Cost	858,613	8,755	6,400	873,768
	<u>1,992,000</u>	<u>8,755</u>	<u>6,400</u>	<u>2,007,155</u>

CHABAD LUBAVITCH OF SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 11)	1,157	-
Amounts owed to participating interests	60,000	254,366
Accruals and deferred income	1,516	840
	<u>62,673</u>	<u>255,206</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans (see note 11)	<u>330,000</u>	<u>75,000</u>

11. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>1,157</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
These loans are advanced on an	330,000	75,000

12. MOVEMENT IN FUNDS

	At 1/3/22	Net movement in funds	Transfers between funds	At 28/2/23
	£	£	£	£
Unrestricted funds				
General fund	420,528	122,204	(849,695)	(306,963)
Restricted funds				
Restricted Fund	8,918	1,116,215	849,695	1,974,828
TOTAL FUNDS	<u>429,446</u>	<u>1,238,419</u>	<u>-</u>	<u>1,667,865</u>

CHABAD LUBAVITCH OF SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	223,594	(101,390)	-	122,204
Restricted funds				
Restricted Fund	-	(17,172)	1,133,387	1,116,215
TOTAL FUNDS	<u>223,594</u>	<u>(118,562)</u>	<u>1,133,387</u>	<u>1,238,419</u>

Comparatives for movement in funds

	At 1/3/21 £	Net movement in funds £	At 28/2/22 £
Unrestricted funds			
General fund	417,517	3,011	420,528
Restricted funds			
Restricted Fund	8,918	-	8,918
TOTAL FUNDS	<u>426,435</u>	<u>3,011</u>	<u>429,446</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	96,258	(93,247)	3,011
TOTAL FUNDS	<u>96,258</u>	<u>(93,247)</u>	<u>3,011</u>

CHABAD LUBAVITCH OF SOUTH LONDON

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28TH FEBRUARY 2023

12. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/3/21 £	Net movement in funds £	Transfers between funds £	At 28/2/23 £
Unrestricted funds				
General fund	417,517	125,215	(849,695)	(306,963)
Restricted funds				
Restricted Fund	8,918	1,116,215	849,695	1,974,828
TOTAL FUNDS	<u>426,435</u>	<u>1,241,430</u>	<u>-</u>	<u>1,667,865</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	319,852	(194,637)	-	125,215
Restricted funds				
Restricted Fund	-	(17,172)	1,133,387	1,116,215
TOTAL FUNDS	<u>319,852</u>	<u>(211,809)</u>	<u>1,133,387</u>	<u>1,241,430</u>

13. RELATED PARTY DISCLOSURES

During the year the Freehold property at 42 St George's Road, Wimbledon, SW19 4ED from which the charity operates, was transferred over from Chabad Lubavitch UK CLUK (charity number 227638) to Chabad Lubavitch of South London (CLOSL). the transfer took place after CLOSL discharged a loan held by CLUK totalling £345,000.

CHABAD LUBAVITCH OF SOUTH LONDON

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28TH FEBRUARY 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	216,327	96,258
Gift aid	7,267	-
	<u>223,594</u>	<u>96,258</u>
Total incoming resources	223,594	96,258
EXPENDITURE		
Charitable activities		
Trustees' salaries	1,578	-
Wages	3,922	700
Insurance	2,649	-
Premises ,Light and heat	27,922	11,338
Telephone	570	-
Postage and stationery	10,755	2,338
Advertising	360	295
Sundries	566	255
Subscriptions	2,977	481
Charitable activities	62,832	39,449
Security	2,942	-
Travel & motor expenses	4,685	4,071
IT software & consumables	493	1,608
Cleaning	558	-
Bank charges	878	476
Building repairs & refurbishment	-	2,987
Freehold property	17,172	-
Short leasehold	(25,636)	25,636
Fixtures and fittings	1,054	1,103
Motor vehicles	400	-
	<u>116,677</u>	<u>90,737</u>
Support costs		
Governance costs		
Accountancy fees	1,460	840
Legal fees	425	1,670
	<u>1,885</u>	<u>2,510</u>
Total resources expended	<u>118,562</u>	<u>93,247</u>
Net income	<u>105,032</u>	<u>3,011</u>

This page does not form part of the statutory financial statements