

**CHABAD-LUBAVITCH OF ISLINGTON CIO**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**  
**PAGES FOR FILING WITH REGISTRAR**

**CHABAD-LUBAVITCH OF ISLINGTON CIO**

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# CHABAD-LUBAVITCH OF ISLINGTON CIO

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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The trustees present their report and financial statements for the year ended 31 August 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1.1 to the accounts and comply with the Charities Act 2011 and "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 2015)".

#### **Objectives and activities**

The charity's main aim is to support the advancement of the orthodox Jewish religion in accordance with the principles of Chabad Lubavitch. The main objectives of the charity are:

- provide a welcoming open door to Jewish people of all walks of life no matter their background or affiliation in the immediate area of Islington and also surrounding areas;
- make Judaism accessible and relevant to every Jew by empowering them to personally take ownership of their Judaism in a meaningful way never underestimating the value of a single deed;
- care for and support the welfare of Jewish people in the Islington community with devotion and affection - no matter the time, place or need;
- educate both the Jewish community and the Islington community at large to live by the words "Love your fellow as yourself"; and
- create innovative and attractive programs tailored to the needs of the immediate and outlying community of Islington.

#### **Public benefit**

The trustees have given careful consideration to the Charity Commission's guidance on public benefit when setting the aims and objectives of the charity. The charity adheres to the principles of Chabad.

Chabad is the largest Jewish outreach organisation in the world, active in more than 80 countries. Our primary focus is the Jewish community where it has been lauded by all segments for its innovative and compassionate programs. Chabad provides social service, educational and outreach programs. It has no affiliation with any political organisation.

Chabad has a long history of religious tolerance and has been on the forefront efforts of humanitarian relief. In the past years it took a leading role after the Tsunami in Japan and the earthquake in Haiti.

#### **Achievements and performance**

Chabad Lubavitch of Islington currently serves the Borough of Islington as its only Jewish institution. Since 2011 the charity has been offering a range of social, religious and educational activities.

The charity has adapted to the massive changes of the Covid pandemic. To highlight a few stand out changes we have offered our beneficiaries:

- 520 food packages with face-to-face contact and signposting to key services on a weekly and holiday basis, including Passover and Shavuot.
- Four online classes to reduce isolation on a weekly basis, and where possible face-to-face classes in a Covid secure venue.
- Working with Islington Council to offer pharmacy delivery to vulnerable and shielding individuals.
- Supporting other charities in their fundraising efforts including grant writing skills and distribute funds towards an emergency Covid response.

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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#### **Financial review**

The charity's income for the year amounted to £145,971 (2019 - £103,747) and the expenditure for the year was £138,001 (2019 - £110,123). The resulting net income was £7,970 (2019 - net expenditure of £6,376).

During the year the charity was in receipt of £16,932 (2019 - £7,741) of restricted grants in total. Of this amount, £10,869 was remaining at year end (2019 - £3,072).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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

The charity is a Charitable Incorporated Organisation registered with the Charity Commission.

The CIO was established under a Memorandum of Association which established the objects and powers of the CIO and is governed under its Articles of Association.

The trustees who served during the year and up to the date of signature of the financial statements were:

Rabbi A Citron

Rabbi A Sufrin

Mr S Cousin

New trustees are appointed due to their interest in the work of the charity and their recognised experience in specific fields which will further support the work of the CIO.

The trustees are ultimately responsible for the policies, activities and assets of the CIO. They meet regularly during the year to review developments with regard to the CIO, its activities and make any important decisions. When necessary, the trustees seek advice and support from the CIO's professional advisors.

New trustees are given a full induction by the other trustees of the charity. Trustees can retire when they wish as they do not serve under a fixed term of tenure.

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Chabad-Lubavitch of Islington Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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, including the income and expenditure, of the charitable company for that year.

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 UK 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 operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

  
**Rabbi A Sufrin**

Trustee

Dated: 23 December 2020

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CHABAD-LUBAVITCH OF ISLINGTON CIO

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I report to the trustees on my examination of the financial statements of Chabad-Lubavitch of Islington CIO (the charity) for the year ended 31 August 2020.

#### **Responsibilities and basis of 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 financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 applicable 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 financial statements to be reached.



Mark Tenzer FCA  
for and on behalf of Jeffreys Henry LLP

Dated: 23 December 2020

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b><u>Income from:</u></b>					
Donations and legacies	3	89,454	16,932	106,386	60,375
<b><u>Charitable activities</u></b>					
Education and welfare	4	21,406	-	21,406	11,949
Other activities	5	18,177	-	18,177	31,416
Investment income	6	2	-	2	7
<b>Total income</b>		<u>129,039</u>	<u>16,932</u>	<u>145,971</u>	<u>103,747</u>
<b><u>Expenditure on:</u></b>					
Raising funds	7	<u>818</u>	<u>-</u>	<u>818</u>	<u>3,610</u>
<b><u>Charitable activities</u></b>					
Education and welfare	8	<u>128,047</u>	<u>9,136</u>	<u>137,183</u>	<u>106,514</u>
<b>Total charitable expenditure</b>		<u>128,047</u>	<u>9,136</u>	<u>137,183</u>	<u>106,514</u>
<b>Total resources expended</b>		<u>128,865</u>	<u>9,136</u>	<u>138,001</u>	<u>110,124</u>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		174	7,796	7,970	(6,377)
Fund balances at 1 September 2019		<u>(11,180)</u>	<u>3,073</u>	<u>(8,107)</u>	<u>(1,730)</u>
<b>Fund balances at 31 August 2020</b>		<u><u>(11,006)</u></u>	<u><u>10,869</u></u>	<u><u>(137)</u></u>	<u><u>(8,106)</u></u>

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Current assets</b>					
Debtors	13	391		393	
Cash at bank and in hand		8,751		642	
		<u>9,142</u>		<u>1,035</u>	
<b>Creditors: amounts falling due within one year</b>	14	(9,279)		(9,141)	
Net current liabilities			(137)		(8,106)
<b>Income funds</b>					
Restricted funds			10,869		3,072
<u>Unrestricted funds</u>					
General unrestricted funds		(11,006)		(11,179)	
Share capital		-		1	
		<u>(11,006)</u>	(11,006)	<u>(11,178)</u>	(11,178)
			(137)		(8,106)

The financial statements were approved by the trustees on 23 December 2020

  
 Rabbi A Sufrin  
 Trustee



# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1 Accounting policies**

#### **Charity information**

Chabad-Lubavitch of Islington Limited is a private company limited by shares incorporated in England and Wales. The registered office is Regent Studios Unit 110, 1 Thane Villas, Islington, London, N7 7PH.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1 Accounting policies

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

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.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the accountancy fees and costs linked to the strategic management of the charity.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1 Accounting policies**

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### **1.8 Taxation**

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

### **1.9 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	89,454	-	89,454	52,634
Grants	-	16,932	16,932	7,741
	<u>89,454</u>	<u>16,932</u>	<u>106,386</u>	<u>60,375</u>
<b>For the year ended 31 August 2019</b>	<u>52,634</u>	<u>7,741</u>		<u>60,375</u>

### 4 Charitable activities

	2020 £	2019 £
Sales within charitable activities	<u>21,406</u>	<u>11,949</u>

### 5 Community events

	2020 £	2019 £
Community events	<u>18,177</u>	<u>31,416</u>

### 6 Investment income

	2020 £	2019 £
Interest receivable	<u>2</u>	<u>7</u>

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**7 Raising funds**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<u>Fundraising and publicity</u>		
Staging fundraising events	765	3,570
Education and welfare	53	40
	<hr/>	<hr/>
Fundraising and publicity	818	3,610
	<hr/>	<hr/>
	818	3,610
	<hr/>	<hr/>

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 8 Charitable activities

	2020 £	2019 £
Staff costs	300	-
Hosting expenses	-	4,020
Insurance	563	475
Telephone	417	-
Charitable expenses	109,893	44,954
Staff training	-	160
Subscriptions	331	517
Computer expenses	288	303
Repairs and renewals	4,297	307
Education and welfare	6,033	33,335
Security costs	470	1,033
Printing and stationery	-	1,318
	<u>122,592</u>	<u>86,422</u>
Share of support costs (see note 9)	13,458	20,119
Share of governance costs (see note 9)	1,133	(27)
	<u>137,183</u>	<u>106,514</u>
<b>Analysis by fund</b>		
Unrestricted funds	128,047	
Restricted funds	9,136	
	<u>137,183</u>	
<b>For the year ended 31 August 2019</b>		
Unrestricted funds		94,549
Restricted funds		11,965
		<u>106,514</u>

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Staff costs	12,310	-	12,310	18,486
Travelling	475	-	475	610
Bank charges	673	-	673	1,023
Legal and professional	-	13	13	13
Accountancy	-	1,120	1,120	(40)
	<u>13,458</u>	<u>1,133</u>	<u>14,591</u>	<u>20,092</u>
Analysed between Charitable activities	<u>13,458</u>	<u>1,120</u>	<u>14,578</u>	<u>20,092</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 11 Employees

#### Number of employees

The average monthly number employees during the year was:

	2020 Number	2019 Number
	<u>2</u>	<u>2</u>

#### Employment costs

	2020 £	2019 £
Wages and salaries	12,310	18,486
Other pension costs	<u>300</u>	<u>-</u>
	<u>12,610</u>	<u>18,486</u>

### 12 Other gains or losses

	2020 £	2019 £
Redemption of share capital	1	-

# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 13 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	173	174
Other debtors	218	219
	<u>391</u>	<u>393</u>

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

	2020	2019
	£	£
Other creditors	8,319	8,341
Accruals and deferred income	960	800
	<u>9,279</u>	<u>9,141</u>

### 15 Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total
	£	£	£
Fund balances at 31 August 2020 are represented by:			
Current assets/(liabilities)	(137)	-	(137)
	<u>(137)</u>	<u>-</u>	<u>(137)</u>

### 16 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
- Ordinary share of £1 each	-	1
	<u>-</u>	<u>1</u>

The CIO had previously issued share capital as a Limited company of one ordinary share with a nominal value of £1. The share was held by Lubavitch (UK) Limited. Lubavitch (UK) Limited was not entitled to dividends or participate on any distribution of capital or income.



# CHABAD-LUBAVITCH OF ISLINGTON CIO

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 16 Share capital

2020

2019

#### Reconciliation of movements during the year:

Number

At 1 September 2019

1

Share Reduction on Conversion to CIO

(1)

At 31 August 2020

-

### 17 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).