

CHABAD-LUBAVITCH OF ISLINGTON CIO
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

CHABAD-LUBAVITCH OF ISLINGTON CIO

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CHABAD-LUBAVITCH OF ISLINGTON CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report and financial statements for the year ended 31 August 2021.

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:

- Whilst Covid-19 changed many elements of our charity, activities adapted quickly to provide at home and online services, including weekly food packages, holiday packages and online zoom sessions.
- Income from grants increased in order to support Covid-19 related projects.
- A shopfront became available on short term which allowed the charity to pilot having a community space and art gallery.
- Monthly supporters continues to increase year on year, with a specific target to secure a rental towards a community space.

CHABAD-LUBAVITCH OF ISLINGTON CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The charity's income for the year amounted to £244,173 (2020 - £145,971) and the expenditure for the year was £157,766 (2020 - £138,001). The resulting net income was £86,407 (2020 - net income of £7,970).

During the year the charity was in receipt of £79,344 (2020 - £16,933) of restricted grants in total. Of this amount, £76,345 was remaining at year end (2020 - £10,870).

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 2021

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: 25 January 2022

CHABAD-LUBAVITCH OF ISLINGTON CIO

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CHABAD-LUBAVITCH OF ISLINGTON CIO

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 2021.

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: 25 January 2022

CHABAD-LUBAVITCH OF ISLINGTON CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	3	101,534	79,344	180,878	106,386
<u>Charitable activities</u>					
Education and welfare	4	45,307	-	45,307	21,406
Other activities	5	17,985	-	17,985	18,177
Investment income	6	3	-	3	2
Total income		164,829	79,344	244,173	145,971
<u>Expenditure on:</u>					
Raising funds	7	1,372	-	1,372	53
<u>Charitable activities</u>					
Education and welfare	8	142,525	13,869	156,394	137,948
Total charitable expenditure		142,525	13,869	156,394	137,948
Total resources expended		143,897	13,869	157,766	138,001
Net income for the year/ Net movement in funds		20,932	65,475	86,407	7,970
Fund balances at 1 September 2020		(11,006)	10,870	(136)	(8,107)
Fund balances at 31 August 2021		9,926	76,345	86,271	(137)

CHABAD-LUBAVITCH OF ISLINGTON CIO

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		1,544		-
Current assets					
Debtors	14	1,011		391	
Cash at bank and in hand		92,998		8,751	
		<u>94,009</u>		<u>9,142</u>	
Creditors: amounts falling due within one year	15	<u>(9,282)</u>		<u>(9,279)</u>	
Net current assets/(liabilities)			84,727		(137)
Total assets less current liabilities			<u>86,271</u>		<u>(137)</u>
Income funds					
Restricted funds			76,345		10,869
Unrestricted funds			9,926		(11,006)
			<u>86,271</u>		<u>(137)</u>

The financial statements were approved by the trustees on 25 January 2022


 Rabbi A Sufrin
 Trustee

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

1 Accounting policies

(Continued)

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 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% Straight line
Computers	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 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.

1.9 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.

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.10 Taxation

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

1.11 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.

1.12 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 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	57,702	-	57,702	89,454
Grants	43,832	79,344	123,176	16,932
	<u>101,534</u>	<u>79,344</u>	<u>180,878</u>	<u>106,386</u>
For the year ended 31 August 2020	<u>89,454</u>	<u>16,932</u>		<u>106,386</u>

4 Charitable activities

	2021 £	2020 £
Sales within charitable activities	<u>45,307</u>	<u>21,406</u>

5 Community events

	2021 £	2020 £
Community events	<u>17,985</u>	<u>18,177</u>

6 Investment income

	2021 £	2020 £
Interest receivable	<u>3</u>	<u>2</u>

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Education and welfare	278	53
Other fundraising costs	1,094	-
	<hr/>	<hr/>
Fundraising and publicity	1,372	53
	<hr/>	<hr/>
	<u>1,372</u>	<u>53</u>

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	2021 £	2020 £
Staff costs	1,200	300
Depreciation and impairment	128	-
Insurance	671	563
Telephone	374	417
Charitable expenses	15,935	9,435
Staff training	708	-
Subscriptions	947	331
Computer expenses	313	288
Repairs and renewals	8,145	4,297
Education and welfare	28,350	6,033
Security costs	-	469
Printing and stationery	1,890	-
Covid Expenses	7,906	49,567
Rabbinical Services	2,500	-
Educational Services	6,028	3,330
Rent	31,000	37,367
Other charitable expenditure	31,993	10,960
	<u>138,088</u>	<u>123,357</u>
Share of support costs (see note 9)	17,346	13,458
Share of governance costs (see note 9)	960	1,133
	<u>156,394</u>	<u>137,948</u>
Analysis by fund		
Unrestricted funds	142,525	
Restricted funds	13,869	
	<u>156,394</u>	
For the year ended 31 August 2020		
Unrestricted funds		128,812
Restricted funds		9,136
		<u>137,948</u>

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	15,469	-	15,469	12,310
Travelling	833	-	833	475
Bank charges	1,044	-	1,044	673
Legal and professional	-	-	-	13
Accountancy	-	960	960	1,120
	<u>17,346</u>	<u>960</u>	<u>18,306</u>	<u>14,591</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:

	2021 Number	2020 Number
	<u>2</u>	<u>2</u>

Employment costs

	2021 £	2020 £
Wages and salaries	15,469	12,310
Other pension costs	1,200	300
	<u>16,669</u>	<u>12,610</u>

12 Other gains or losses

	2021 £	2020 £
Redemption of share capital	1	1

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
Additions	345	1,327	1,672
At 31 August 2021	345	1,327	1,672
Depreciation and impairment			
Depreciation charged in the year	36	92	128
At 31 August 2021	36	92	128
Carrying amount			
At 31 August 2021	309	1,235	1,544

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	454	173
Other debtors	557	218
	1,011	391

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other creditors	8,322	8,319
Accruals and deferred income	960	960
	9,282	9,279