

Charity Registration No. 1164760

**CHABAD-LUBAVITCH OF ISLINGTON CIO
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

CHABAD-LUBAVITCH OF ISLINGTON CIO

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CHABAD-LUBAVITCH OF ISLINGTON CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report and financial statements for the year ended 31 August 2022.

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.

CHABAD-LUBAVITCH OF ISLINGTON CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

Over the past year, Chabad Islington changed significantly as we rented a dedicated community space. Creating a focal point for participants to meet for classes and events has allowed the charity to mature and develop in new ways which was not possible in the past. The current space is just behind Essex Road, a one minute walk from Islington Green with easy access to bus and train routes.

Lease terms are three years with a break clause after two years. Long term permanent community space options are being explored.

A new opportunity with this space has included creating the Ein Sof Art Gallery, which is dedicated to exhibiting contemporary art by Jewish artists and celebrating Jewish culture, identity and history. The gallery is a project of Chabad Islington, which celebrates creative and expressive Judaism.

Exhibitions have included works from Nicole Zisman, Jeremy Keenan, Hervé Constant and a private loan of Pinchas Litvinovsky's works. Funding from Art Council England has supported some of the exhibitions. Currently, the gallery is the only Jewish art gallery in London.

Kosheroo, our kosher food delivery service has undergone a full upgrade ensuring the website has clear and up to date high quality graphics and information and the delivery service is reliable & affordable. The upgrade was funded thanks to a grant from the SSE Heritage Trade Up programme.

Stand out events and news include:

10th annual Islington Menorah Lighting, over 500 people in attendance including the debut performance of the adaptation of Neil Diamond's Sweet Caroline called Sweet Chanukah. Funded by Islington Council's Local Initiative Fund.

Passover Seder at Camley Street Natural Park along Regent's Canal, 85 people in attendance celebrated 'al fresco' with people from across Islington and visitors from around the world.

Big Jewish Summer Fete, over 300 people in attendance. A free, family day out for the whole community, celebrating Jewish culture in the heart of Islington. Emily Thornberry MP attended and supported by the National Lottery.

Islington Jewish Heritage Trail project received nearly £25,000 funding from Mayor of London's Untold Stories fund as part of his Commission for Diversity in the Public Realm. The project will celebrate the rich Jewish history of Islington and its landmarks by developing resources for a self-guided tour and delivering a series of free guided walking tours for the community.

Quote of the year from Eve, Daniele & Viola, new community and supporter club members:

"Hadasa and Mendy and their family are amazing. They have always made us feel welcomed and respected. Babyccino has been great and our daughter love to attend is every week. Thank you for everything."

CHABAD-LUBAVITCH OF ISLINGTON CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

The charity's income for the year amounted to £171,021(2021 - £244,173) and the expenditure for the year was £205,959(2021 - £157,766). The resulting net expenditure was £34,938 (2021 - net income of £86,407).

During the year the charity was in receipt of £67,601 (2021 - £79,344) of restricted grants in total. Of this amount, £48,803 was remaining at year end (2021 - £76,345).

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 2022

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 Sufrin

Rabbi A Sufrin

Trustee

Dated: 8 February 2023

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 2022.

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.

Elliott Pearl

Elliott Pearl ACA
for and on behalf of Gravita Business Services Limited

Dated: 8 February 2023

CHABAD-LUBAVITCH OF ISLINGTON CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	3	57,249	67,601	124,850	180,878
Charitable activities					
Education and welfare	4	25,349	-	25,349	45,307
Other activities	5	20,794	-	20,794	17,985
Investment income	6	28	-	28	3
Total income		103,420	67,601	171,021	244,173
Expenditure on:					
Raising funds	7	1,326	-	1,326	1,372
Charitable activities					
Education and welfare	8	175,852	28,781	204,633	156,394
Total charitable expenditure		175,852	28,781	204,633	156,394
Total resources expended		177,178	28,781	205,959	157,766
Net (expenditure)/income for the year/ Net movement in funds		(73,758)	38,820	(34,938)	86,407
Fund balances at 1 September 2021		76,345	9,983	86,328	(136)
Fund balances at 31 August 2022		2,587	48,803	51,390	86,271

CHABAD-LUBAVITCH OF ISLINGTON CIO

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		1,210		1,544
Current assets					
Debtors	15	18,264		1,011	
Cash at bank and in hand		41,693		92,998	
		59,957		94,009	
Creditors: amounts falling due within one year	16	(9,777)		(9,282)	
Net current assets			50,180		84,727
Total assets less current liabilities			51,390		86,271
Income funds					
Restricted funds			48,803		76,345
Unrestricted funds			2,587		9,926
			51,390		86,271

The financial statements were approved by the trustees on 8 February 2023

Rabbi Sufrin

Rabbi A Sufrin

Trustee

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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 1-3 Elliott's Place, Islington, London, N1 8HX.

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.

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.

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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.

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	53,249	-	53,249	57,702
Grants	4,000	67,601	71,601	123,176
	<u>57,249</u>	<u>67,601</u>	<u>124,850</u>	<u>180,878</u>
For the year ended 31 August 2021	<u>101,534</u>	<u>79,344</u>		<u>180,878</u>

4 Charitable activities

	2022 £	2021 £
Sales within charitable activities	<u>25,349</u>	<u>45,307</u>

5 Community events

	2022 £	2021 £
Community events	<u>20,794</u>	<u>17,985</u>

6 Investment income

	2022 £	2021 £
Interest receivable	<u>28</u>	<u>3</u>

CHABAD-LUBAVITCH OF ISLINGTON CIO**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*****FOR THE YEAR ENDED 31 AUGUST 2022*****7 Raising funds**

	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Education and welfare	-	278
Other fundraising costs	1,326	1,094
	<u>1,326</u>	<u>1,372</u>
Fundraising and publicity	1,326	1,372
	<u>1,326</u>	<u>1,372</u>

CHABAD-LUBAVITCH OF ISLINGTON CIO**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022****8 Charitable activities**

	2022	2021
	£	£
Staff costs	1,200	1,200
Depreciation and impairment	334	128
Hosting expenses	2,038	-
Insurance	809	671
Telephone	720	374
Charitable expenses	29,781	15,935
Staff training	988	708
Subscriptions	1,962	947
Computer expenses	-	313
Repairs and renewals	6,787	8,145
Education and welfare	32,741	28,350
Printing and stationery	2,750	1,890
Covid Expenses	392	7,906
Rabbinical Services	25	2,500
Educational Services	5,710	6,028
Rent	54,708	31,000
Other charitable expenditure	15,363	31,993
	<u>156,308</u>	<u>138,088</u>
Grant funding of activities (see note 9)	26,777	-
Share of support costs (see note 10)	20,588	17,346
Share of governance costs (see note 10)	960	960
	<u>204,633</u>	<u>156,394</u>
Analysis by fund		
Unrestricted funds	175,852	
Restricted funds	28,781	
	<u>204,633</u>	
For the year ended 31 August 2021		
Unrestricted funds		142,525
Restricted funds		13,869
		<u>156,394</u>

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Grants payable

	2022 £	2021 £
Grants to institutions:		
Other	26,777	-
	<u>26,777</u>	<u>-</u>

10 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Staff costs	18,000	-	18,000	15,469
Travelling	1,390	-	1,390	833
Bank charges	1,197	-	1,197	1,044
Accountancy	-	960	960	960
	<u>20,587</u>	<u>960</u>	<u>21,547</u>	<u>18,306</u>

11 Trustees

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

12 Employees

Number of employees

The average monthly number employees during the year was:

	2022 Number	2021 Number
	-	2
	<u>-</u>	<u>2</u>

Employment costs

	2022 £	2021 £
Wages and salaries	17,994	15,469
Social security costs	6	-
Other pension costs	1,200	1,200
	<u>19,200</u>	<u>16,669</u>

CHABAD-LUBAVITCH OF ISLINGTON CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Other gains or losses

	2022	2021
	£	£
Redemption of share capital	1	1

14 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 September 2021	345	1,327	1,672
At 31 August 2022	345	1,327	1,672
Depreciation and impairment			
At 1 September 2021	36	92	128
Depreciation charged in the year	69	265	334
At 31 August 2022	105	357	462
Carrying amount			
At 31 August 2022	240	970	1,210
At 31 August 2021	309	1,235	1,544

15 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,129	454
Other debtors	1,657	557
Prepayments and accrued income	14,478	-
	18,264	1,011

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Notes		
Bank overdrafts	455	-
Other taxation and social security	6	-
Other creditors	8,356	8,322
Accruals and deferred income	960	960
	9,777	9,282