

Lubavitch Education Trust
Unaudited Financial Statements
31 August 2023

CHARTWELL ACCOUNTANTS & BUSINESS CONSULTANTS LLP

Chartered Certified Accountants
47 Bury New Road
Prestwich
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Lubavitch Education Trust

Financial Statements

Year ended 31 August 2023

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Lubavitch Education Trust

Trustees' Annual Report

Year ended 31 August 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2023.

Reference and administrative details

Registered charity name	Lubavitch Education Trust
Charity registration number	1194845
Principal office	Lubavitch Foundation 107-115 Stamford Hill London N16 5RP
The trustees	Mr R Garbarchick Mr S Davidoff
Accountants	Chartwell Accountants and Business Consultants LLP Chartered Certified Accountants 47 Bury New Road Prestwich Manchester M25 9JY

Structure, governance and management

Lubavitch Education Trust is constituted under a deed dated 15th September 2020 as amended by resolution dated 7th June 2021. It was registered as a charity on 17th June 2021 with registration number 1194845.

Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage exposure to the major risks.

Objectives and activities

The objects of the Charity are to advance the Jewish religion for the benefit of the public in accordance with the statement of faith as incorporated into the Trust deed of the Charity by providing and assisting in the provision of funds and facilities of Lubavitch institutions.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy

Achievements and performance

During this period, the Charity received donations totalling £507,828. These generous contributions came from various donors committed to supporting the Charity's mission. Of the total donations, £414,766 was allocated and paid out as grants. This demonstrates the Charity's commitment to utilising its resources effectively to support and advance its mission. The remaining funds were retained for future projects, operational costs, and to ensure the sustainability and growth of the Charity's activities.

Lubavitch Education Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2023

A Grant of £15,000 was received from Delapage Limited to be used to pay for fundraising consultancy to enable the Charity to implement more effective fundraising strategies. All funds were expensed during the year.

£86,687 of funds raised from a successful crowdfunding campaign was paid as a grant to Lubavitch Multi-Academy Trust.

The Charity has been generously provided with the complimentary use of a function hall kindly sponsored by Chabad Lubavitch UK. This hall has been used by the Charity to host events for the Lubavitch community. Additionally, the Charity has rented out the hall to generate funds, but to facilitate this, it invested £21,850 in modernising the facility.

Financial review

Principal funding sources

The Charity is dependent on charitable donations from other charities and philanthropists.

Reserves policy

The trustees have reviewed the reserves and future requirements of the charity. All future needs are considered together with any risks or contingencies that may exist. The trustees are confident that the charity will be able to generate sufficient reserves. Efforts to ensure sustainable funding include ongoing fundraising campaigns, building strong relationships with donors, and exploring new revenue sources.

Plans for future periods

There are no plans to change the current operating structure in the foreseeable future.

Trustees' responsibilities statement

The trustees 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).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Lubavitch Education Trust

Trustees' Annual Report *(continued)*

Year ended 31 August 2023

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. 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' annual report was approved on 21 June 2024 and signed on behalf of the board of trustees by:

Mr S Davidoff
Trustee

Lubavitch Education Trust

Independent Examiner's Report to the Trustees of Lubavitch Education Trust

Year ended 31 August 2023

I report to the trustees on my examination of the financial statements of Lubavitch Education Trust ('the charity') for the year ended 31 August 2023.

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 Act').

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants (ACCA), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the 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 accounts to be reached.

Meir Guttentag FCCA of Chartwell Accountants and Business Consultants LLP Independent Examiner

47 Bury New Road
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Manchester
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21 Jun 24

Lubavitch Education Trust

Statement of Financial Activities

Year ended 31 August 2023

		Year to 31 Aug 23			Period from 17 Jun 21 to 31 Aug 22
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	492,828	15,000	507,828	210,992
Other income	5	8,538	—	8,538	—
Total income		<u>501,366</u>	<u>15,000</u>	<u>516,366</u>	<u>210,992</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	6	137	14,921	15,058	—
Expenditure on charitable activities	7,8	438,887	—	438,887	211,799
Total expenditure		<u>439,024</u>	<u>14,921</u>	<u>453,945</u>	<u>211,799</u>
Net income/(expenditure) and net movement in funds		<u>62,342</u>	<u>79</u>	<u>62,421</u>	<u>(807)</u>
Reconciliation of funds					
Total funds brought forward		(728)	(79)	(807)	—
Total funds carried forward		<u>61,614</u>	<u>—</u>	<u>61,614</u>	<u>(807)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

Lubavitch Education Trust

Statement of Financial Position

31 August 2023

	Note	2023 £	2022 £
Current assets			
Cash at bank and in hand		62,514	93
Creditors: amounts falling due within one year	14	<u>900</u>	<u>900</u>
Net current assets		<u>61,614</u>	<u>(807)</u>
Total assets less current liabilities		<u>61,614</u>	<u>(807)</u>
Net assets		<u>61,614</u>	<u>(807)</u>
 Funds of the charity			
Restricted funds		—	79
Unrestricted funds		<u>61,614</u>	<u>(886)</u>
Total charity funds	15	<u>61,614</u>	<u>(807)</u>

These financial statements were approved by the board of trustees and authorised for issue on 21 Jun 24, and are signed on behalf of the board by:

Mr S Davidoff
Trustee

The notes on pages 8 to 14 form part of these financial statements.

Lubavitch Education Trust

Statement of Cash Flows

Year ended 31 August 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income/(expenditure)	62,421	(807)
<i>Adjustments for:</i>		
Interest payable and similar charges	657	137
Accrued expenses	—	900
	<u>63,078</u>	<u>230</u>
Cash generated from operations	63,078	230
Interest paid	(657)	(137)
Net cash from operating activities	<u>62,421</u>	<u>93</u>
Net increase in cash and cash equivalents	62,421	93
Cash and cash equivalents at beginning of year	93	—
Cash and cash equivalents at end of year	<u>62,514</u>	<u>93</u>

The notes on pages 8 to 14 form part of these financial statements.

Lubavitch Education Trust

Notes to the Financial Statements

Year ended 31 August 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Lubavitch Foundation, 107-115 Stamford Hill, London, N16 5RP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Lubavitch Education Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Lubavitch Education Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations receivable	<u>492,828</u>	<u>15,000</u>	<u>507,828</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations receivable	<u>178,091</u>	<u>32,900</u>	<u>210,992</u>

Lubavitch Education Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

5. Other income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Hall rental	<u>8,538</u>	<u>8,538</u>	<u>—</u>	<u>—</u>

6. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Costs of raising donations and legacies - Donations	<u>137</u>	<u>14,921</u>	<u>15,058</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Costs of raising donations and legacies - Donations	<u>—</u>	<u>—</u>	<u>—</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Grant funding	437,330	—	437,330
Support costs	<u>1,557</u>	<u>—</u>	<u>1,557</u>
	<u>438,887</u>	<u>—</u>	<u>438,887</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grant funding	177,941	32,821	210,762
Support costs	<u>1,036</u>	<u>—</u>	<u>1,037</u>
	<u>178,977</u>	<u>32,821</u>	<u>211,799</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Grant funding	22,564	414,766	—	437,330	210,762
Governance costs	<u>—</u>	<u>—</u>	<u>1,557</u>	<u>1,557</u>	<u>1,037</u>
	<u>22,564</u>	<u>414,766</u>	<u>1,557</u>	<u>438,887</u>	<u>211,799</u>

Lubavitch Education Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

9. Analysis of support costs

	Analysis of support costs £	Total 2023 £	Total 2022 £
Governance costs	<u>1,557</u>	<u>1,557</u>	<u>1,129</u>

10. Analysis of grants

	Year to 31 Aug 23 £	Period from 17 Jun 21 to 31 Aug 22 £
Grants to institutions		
Grants to institutions	414,266	210,762
Grants to individuals		
Grants to individuals	<u>500</u>	<u>—</u>
Total grants	<u>414,766</u>	<u>210,762</u>

Grants made to institutions

	£
Lubavitch Kodesh Club	266,350
Lubavitch Multi Academy Trust	86,687
Chabad Lubavitch UK	20,000
North London Welfare and Educational Foundation	13,405
Lubavitch Yeshiva Ketana	12,500
Shaarei Orah	11,634
The Rehabilitation Trust (Wlodowa)	1,260
London Gemach	1,650
Grants below £1,000	780
Total grants to institutions in reporting period	<u>414,266</u>

11. Independent examination fees

	Year to 31 Aug 23 £	Period from 17 Jun 21 to 31 Aug 22 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>900</u>	<u>900</u>

12. Staff costs

The average head count of employees during the year was Nil (2022: Nil).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

Lubavitch Education Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	900	900

15. Analysis of charitable funds

Unrestricted funds

	At 1 Sep 2022	Income £	Expenditure £	At 31 Aug 2023
General funds	£ (728)	£ 501,366	£ (439,024)	£ 61,614

	At 17 Jun 2021	Income £	Expenditure £	At 31 Aug 2022
General funds	£ —	£ 178,091	£ (178,977)	£ (886)

Restricted funds

	At 1 Sep 2022	Income £	Expenditure £	At 31 Aug 2023
Restricted Funds	£ (79)	£ 15,000	£ (14,921)	£ —

	At 17 Jun 2021	Income £	Expenditure £	At 31 Aug 2022
Restricted Funds	£ —	£ 32,900	£ (32,821)	£ 79

Lubavitch Education Trust

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

16. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Current assets	62,514	—	62,514
Creditors less than 1 year	(900)	—	(900)
Net assets	<u>61,614</u>	<u>—</u>	<u>61,614</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Current assets	14	79	93
Creditors less than 1 year	(900)	—	(900)
Net assets	<u>(886)</u>	<u>79</u>	<u>(807)</u>

17. Analysis of changes in net debt

	At 1 Sep 2022 £	Cash flows £	At 31 Aug 2023 £
Cash at bank and in hand	<u>93</u>	<u>62,421</u>	<u>62,514</u>

18. Related parties

Donations of £35,250 were received from Mr S Davidoff and companies under his control.

