

CHABAD LUBAVITCH UK
CHARITY REGISTRATION NUMBER 227638

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020



LEGAL AND ADMINISTRATIVE INFORMATION

Address: Lubavitch Foundation
107-115 Stamford Hill
London N16 5RP

Corporate Trustee: Lubavitch (UK) Limited

Central Administration: Rabbi Yitchok Sufrin
Elizabeth Heycock (from April 2021)
Jon Benjamin

Independent Auditors: Goldwins
75 Maygrove Road
West Hampstead
London NW6 2EG

Principal Bankers: Barclays plc
Level 12
1 Churchill Place
London E14 5PH

Report of the Trustee for the Year Ending 31 December 2020

Objectives and Activities

Chabad Lubavitch UK is a charity established for the furtherance of its charitable objects, specifically: the advancement and promotion of the Jewish religion in accordance with the orthodox tenets thereof by providing facilities for the study of and instruction in Jewish religious literature; by the advancement of public education including education in the Orthodox Jewish faith and the provision of recreational facilities ancillary thereto; by the provision of school rooms, meeting rooms and ancillary facilities for persons of the Jewish faith; and by the provision of financial assistance to persons of the Jewish faith who are in need to enable them to observe and perform the rites and practices of the Jewish religion.

We keep the ethos of the Lubavitch movement at the core of our activities when delivering these objectives by unconditionally providing a welcoming open door to Jewish people from all walks of life, by making Judaism accessible and relevant by empowering individuals to develop, associate, identify and participate, by caring for and supporting the welfare of Jewish people and communities with devotion and affection no matter the time, place or need and by educating a generation of dedicated and skilled community leaders who live by the words, "Love your fellow as yourself".

Whether through Chabad Houses, activities on university campuses, events throughout the year across the country, educational programmes or through our network of schools, the charity engages with thousands of beneficiaries of all ages and backgrounds. And in times of personal crisis, our Shluchim (local emissaries) are on hand to support those suffering loss, bereavement or other challenges.

Public Benefit

The Trustee and its officers have regard to Section 17 of the Charities Act 2011 and the Charity Commission's guidance on public benefit in delivering the charity's various activities and consider that the 'open door' approach when reaching out to beneficiaries across the community reflects and fulfils the charity's legal obligation to ensure that there is a public benefit in everything that the charity strives to do.

Safeguarding

The charity takes the safeguarding of young people and other vulnerable persons extremely seriously and has, since 2015, worked closely with the NSPCC to develop and implement a comprehensive safeguarding policy and ensure that all relevant persons receive frequent periodic training appropriate to their roles. The policy is kept under constant review, in consultation with the NSPCC, and procedures have been established to ensure that all are fully aware of and implement the policy and understand their responsibilities. New employees are fully vetted and DBS checked and periodic update check then take place subsequently.

Our thanks

We would like to thank all of our partners, supporters and friends for their continuing encouragement and assistance. We are grateful to all those who have given so much time and commitment to the advancement of the charity and its objectives.

We would also like to thank the professional team and the many members of our community who, due to the outgoing nature of our philosophy, so generously volunteer their time, and we would like to extend our heartfelt appreciation for their loyalty and ongoing support for the charity. As team members, they have often put aside personal needs and worked together to realise some of the charity's key aspirations

and targets. Without the personal efforts that all on the team have made, none of our many achievements would have been possible.

Achievements and performance: Summary of some of our key activities in 2020

Chabad Houses, present and future

2020 presented unique challenges to our network of Chabad houses in towns and cities across the country, serving communities and university campuses and playing a vital role in bringing Jewish knowledge and practice to thousands of beneficiaries every year through a range of innovative programmes and activities. Whilst many of these activities went online, often reaching even greater numbers of participants as a result, our Shluchim also rallied to the needs of communities and individuals isolated and apart from family and friends, particularly during the Festivals. Pesach, Rosh Hashanah and Chanukah 'in a Box' saw thousands of festive food, educational and spiritual items distributed across the country so that no one needed to miss out on observing and celebrating these important annual events.

An important part of our response has also been to draw up a comprehensive Covid-19 policy and the appointment of a Covid Compliance Officer to advise Shluchim and ensure all affiliates of Chabad Lubavitch UK follow best practice. A number of online seminars were held to educate and explain about the pandemic and the vaccine response, with Rabbinic and Medical Experts.

As well as those that are formally part of the Chabad Lubavitch UK, we work closely with independent Chabad Centres under the umbrella of the international Chabad Lubavitch movement, providing support and guidance, and coordinating activities with our colleagues. We are indebted to all of our Shluchim and their families for their selfless commitment to the needs of those they serve, on Jewish festivals, Shabbatot and throughout the year.

We have invested heavily in professional training to enable our Shluchim and Shluchos to carry out their

In Focus: Chabad House of Hendon

Chabad House of Hendon opened its doors to the public in October 2004, as a centre for all Jews regardless of background or belief. Since that time there has been constant growth, with hundreds of people passing through its doors on a weekly basis.

When Covid-19 hit in March 2020, Chabad didn't let lockdown restrictions stop its work; it simply changed gear. Passover Seder to-go boxes and Yom Tov care packages were arranged for hundreds of people. Zoom classes, programmes and events for all ages went into full swing, and virtual hangouts became the new way of interacting with our beloved community. Chabad House of Hendon made use of every available resource to reach out to the community virtually and from a safe distance, allowing the community to be able to connect with each other. As soon as it was safe to do so in-person weekday, Shabbos & Festival services and face-face shiurim (learning) resumed; allowing everyone to re-enter a safe environment at their level and comfort and have something for the betterment of their Jewish life.

Rabbi Gershon and Esther Mindel Overlander are dedicated to meeting the spiritual and practical needs of the Jewish community in Hendon and ensuring that no Jew should be left behind, and have touched countless lives over the years and during this most challenging 12 months. Rabbi Shlomo and Channa Fuchs joined the Chabad House March 2020 and have been warmly received into the community, making an invaluable contribution to Hendon's activities.

Chabad House of Hendon's door is always open and we are here to welcome you.



One of Hendon's online activities.

work in accordance with best practice, safeguarding policies and in compliance with all relevant regulations. The main vehicle for this training is the annual Kinus Hashluchim, which in 2020 was held online with inclusive and break-out sessions to allow our Shluchim to network, share best practice and avail themselves of a series of workshops covering areas ranging from youth work to fundraising.



Holiday Camps

As lockdown restrictions eased over the summer, children and adults were eager to welcome the return of our always popular school holiday camps. Huge efforts were made to ensure the Covid safety of our activities and bubbles took on a new meaning for the children!

Over 1,900 Children attended camps with Chabad's Camp Gan Israel Network around the UK. Many of the places were heavily subsidised, enabling children to enjoy a meaningful summer experience regardless of their parents' ability to pay and irrespective of their family's level of religious observance.

This included many children normally eligible for free school meals during term time, meaning that they received a meal that they might not otherwise have received at home during the holidays.



Enjoying the activities at a Leeds day camp.



Sukkah Mobile in Leeds, bringing the Mitzvah to your door!

In Focus: Chabad Lubavitch Leeds

Just three months in and our ambitious plans for 2020 had to be re-focused for a world with a new vocabulary of lockdowns, social distancing and Zoom. Rising to the challenge, and with Pesach and Seders rapidly approaching, our Rabbis, Rebbetzin and volunteers worked hard to make and distribute 120 Seder-to-You boxes, containing everything needed to celebrate the Festival.

Our wonderful CTeen participants were inspirational not only in rallying to help isolated and vulnerable members of the community, but also in innovating new activities such as the Adopt-a-Buddy scheme to make weekly calls to lonely elderly members.

The inception of Zoom classes brought both learning and spiritual nourishment to even more people than would normally participate in in-person groups. “I believe this year in particular people have been thirsty for spiritual inspiration as well as opportunities to meet with others,” said Rabbi Eli Pink.

Meanwhile, following the success of Pesach’s outreach drive, CTeens packed 350 Rosh Hashanah gift boxes, with calendars and all the essential food and spiritual items necessary for the New Year. A team of nine Shofar blowers blew the Shofar in 75 sessions at 36 different locations for those unable to keep the mitzvah otherwise.

Likewise, our Sukkah Mobile visited homes, businesses and ventured as far as Harrogate Grammar School, allowing people to take the Lulav and Esrog in both an unconventional but time-honoured fashion!

Reversing the trend, our Chanukah Drive-in event saw 70 cars and over 260 grandparents, parents and children participate in a unique, socially-distanced event with quizzes, food and inspirational Chanukah content – partnering with UHC, Etz Chaim, and BHH synagogues. Some 360 Chanukah boxes were also packed and distributed, thanks once again to CTeens, providing recipients with candles, gelt, a dreidel and educational material.

Along with student activities on campus, children’s holiday camps, the Loaves of Love Shabbat food deliveries for the housebound and many other initiatives, Chabad Lubavitch Leeds helped to bring Leeds’ community together even when we had to be apart, thanks to everyone in our fantastic team.

Leeds CTeens packing festival gift boxes.



Lubavitch Children's Centre

The Centre is a purpose built, state of the art facility in Stamford Hill, London, providing culturally sensitive child and adult services in a comfortable, welcoming and multi-lingual environment. The Centre offers a one-stop shop of services for children from infancy, and their parents and carers with a range of programmes to promote the physical and emotional wellbeing of families, support for new parents and practical activities and courses such as first aid, health advice, household budgeting, healthy eating and exercise classes. The Centre ensures to support the community with all its immediate needs, including physical (such as immunisations during the measles outbreak) and spiritual (Festival/Holiday Programmes).



The nursery provides high quality day-care in a warm and nurturing environment for ages 0 - 4 years old, and care for children with additional needs when necessary. As well as feeding children's minds, the Centre feeds their bodies with Kosher, hot, balanced three-course meals packed with fruit and vegetables.

Some 100 children and family members make use of the Centre on an average weekday. Annually we support over 3,000 families. We are supported in our efforts by Hackney Education and we have strong partnerships with Local Authorities in our area, with the Homerton and Whittington hospitals and with health trusts, the GP confederation, Hackney Ark and local voluntary family support organisations.

In response to Covid 19 we had to adapt our service provision. Initially we kept our day care open for vulnerable children and children of key workers with restrictions in place, to ensure the health and wellbeing of everyone involved. Over time we have been responding to constantly changing government guidelines and have adapted accordingly. Initially we closed our stay and play services but kept our antenatal clinic open. We then set up support groups and were able to support targeted families through this platform. Through the support of Covid grants we have been able to provide food packages and art packages to families in isolation and to those struggling financially as a result of lockdown and loss of income. Currently we are concentrating on getting all our services back up and running in a safe way and supporting those affected by Covid mentally, as well as physically and financially.



CTeen Chabad Teen Network

CTeen aims to provide a nurturing environment where teens can learn about themselves through giving to others, identify with individuals who share the same faith, and be part of a group that focuses on building core values and stresses positive character development. CTTeen delivers a comprehensive curriculum based on a three-part framework; Educational, Humanitarian and Social.

Educational

CTTeen places education at the forefront, ensuring every programme is designed to enhance the development of important life skills.

Humanitarian

CTTeen helps teens build compassion toward others by giving back to the community through various humanitarian projects, helping those in need in wider society. Local events include volunteering with other charities such as soup kitchens for those in need and charities helping children suffering from a variety of illnesses.

Social

CTeen builds social skills through positive affiliations, ensuring personal growth in a society where working together is the key to advancement.

CTeen College-Prep

CTeen also offers a wonderful preparation and transition from secondary school to further education. CTeen members are guaranteed to find a 'home-away-from-home' when they enrol in a university featuring **Chabad on Campus**, which has student centres at 14 institutions across the country.

Jewish Learning Institute (JLI)

JLI is the adult education arm of Chabad Lubavitch. Its mission is to make Jewish learning accessible and personally meaningful to every Jew, regardless of background or affiliation. JLI's insightful curricula utilise cutting-edge pedagogic techniques, embracing the 'multiple intelligence' model and utilising multimedia and an array of approaches to engage, educate, and inspire all kinds of minds in a dynamic Jewish learning experience.

Financial Review

Income and Expenditure

Income in 2020 increased to £5,331,903 from £5,223,367 in 2019. Our first national Charidy fundraising event took place in July 2020, boosting the income of both affiliated and independent Chabad branches. Income generated from functions and events fell to £58,886 from £245,713 in 2019. During 2020 overall costs fell to £5,409,139 from £5,477,526 in 2019. This resulted in a net surplus for the year, after revaluation of one of the properties, of £98,198 compared to a deficit the year before of £254,159. Included in the accounts is depreciation of £479,807 (2019 £499,622).

Principal risks

The directors of the corporate Trustee, working with the Council of Management, have identified the major risks to which the charity may be exposed and have taken the necessary steps to monitor and control these to mitigate any impact they may have on the charity in the future.

Ongoing work was carried out in 2020 to keep under review and to update where necessary all of the charity's governing and policy documents, many of which had been re-drafted or substantially overhauled in 2018. The directors are encouraged by the very positive progress that has been made in strengthening the charity's governance and its ability to identify and address risk.

The Council of Management receives reports from the Chabad Houses, branch locations and other operational areas regarding the services provided and adapts the supply of services responsively to changes in demand.

The charity is reliant on the continued philanthropic support of donors who gift approximately 53% of current income.

The Council of Management also reviews the performance of the charity's property portfolio. The properties are included in the balance sheet at their estimated market value. There is always a risk that property values might go down. To mitigate such risk, properties are formally valued approximately every five years by professional surveyors and are reviewed annually to ensure that the most recent formal valuation is still reasonable.

Governance

As stated above, the directors of the corporate Trustee, together with the Council of Management, have undertaken a thorough and extensive review of the charity's policies and processes and its satellite branches on matters of internal financial policy, control and risk. Care is taken to ensure that published financial statements comply with statute and accounting standards and the Charities SORP.

The Council oversees the relationship with the external auditor including approval of the audit plan and scope of the audit, annual assessment of the auditor's independence and review of the level of fees payable for non-audit services.

Reserves policy

Reserves are needed to bridge any funding gaps between commitments on educational and outreach activities and receiving resources through voluntary donations and grants. The Trustee has established a target level of reserves to protect the organisation and its charitable programmes by providing time to adjust to changing financial circumstances. It is considered that the minimum level of reserves as at 31 December 2020 would be £750,000 based on a sense of the likely impact on programmes that might be caused by a decline in income or an inability to reduce expenditure in the immediate short term. The

unrestricted reserve has passed this value, and the trustees will monitor cash resources to consider investment in an income producing endowment to reduce long term dependence on donations and grants.

Looking to the future

The Board of Directors and Council of Management are constantly looking at ways to develop and enhance the charity's operations and the support it provides to Chabad branches and activities across the country. This includes undertaking a SWOT analysis to ensure that weaknesses and challenges are identified and that the charity can work to its strengths.

A mapping exercise has been commenced to identify areas that are currently underserved with a view to opening branches in those locations, whilst also exploring ways to increase the sharing of resources and expertise among branches and affiliated organisations. This will help control overheads whilst providing more practical support to branches and avoiding areas of overlap.

Legal and administrative details

The charity's financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statement below, and comply with applicable laws and the Charities SORP (FRS 102).

This trustees' report has been prepared in accordance with Part 8 of the Charities Act 2011.

Structure, governance and Management Statement of Trustees' responsibilities

Chabad Lubavitch UK is governed by a Declaration of Trust dated 17th October 2018, which superseded a Declaration of Trust dated 21st January 1959 (as amended).

Trustee: The charity is governed by the Board of Directors of the corporate trustee Lubavitch (UK) Limited (Company No. 02932344), which is responsible for setting the charity's strategy, for ensuring good governance and that it fulfils its objectives of delivering public benefit.

The directors of the corporate trustee are:

- Rabbi Y Angyalfi
- Rabbi P Efune
- Rabbi I H Sufrin
- Mr Michael Rabin
- Mr Stephen Chevern

Organisation: The Board of Directors of the Trustee convene periodically, but a minimum of four times per year.

The Board of Directors is assisted by a Council of Management, which meets approximately every three weeks. Three new members joined the Council of Management during the year, signalling its ongoing commitment to enhance further its members' knowledge and experience and to strengthen its connections to Chabad activities around the country. Members during the year were:

- Rabbi Y Angyalfi
- Rabbi S Arkush
- Rabbi N Dubov
- Rabbi P Efune

- Rabbi M Junik
- Rabbi D Katz
- Rabbi M Korner
- Rabbi S Lew
- Rabbi Y Pink
- Rabbi L Sudak
- Rabbi B Sudak
- Rabbi A M Sufrin
- Rabbi I H Sufrin

The Charities Act 2011 requires the trustees to prepare accounts for each financial year which give a true and fair view of its financial activities during the year and of its financial position at the end of the year. In preparing these accounts, the trustees should follow best practices and;

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Remuneration of trustees and senior management: The corporate trustee and its directors are not remunerated for their services as trustees of the charity. Where directors of the corporate trustee or members of their families carry out other roles in their capacities as rabbis/teachers (all of which roles existed before they became directors), they are remunerated at appropriate market rates but decisions about remuneration are only made after each has recused himself from the decision-making process, which is undertaken by the Council of Management. This arrangement has been endorsed by way of a Scheme approved by the Charity Commission. Transactions with related parties are disclosed in the notes to the financial statements. Remuneration of other senior personnel is similarly determined by reference to market rates and by the directors of the corporate trustee in conjunction with the Council of Management, subject to taking all necessary steps to avoid any actual or perceived conflicts of interest.

By order and on behalf of the Corporate Trustee, Lubavitch (UK) Limited

Rabbi I H Sufrin (Director)

20 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CHABAD LUBAVITCH UK

Opinion

We have audited the financial statements of Chabad Lubavitch UK (the 'Charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CHABAD LUBAVITCH UK

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement in the trustee's report, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CHABAD LUBAVITCH UK

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

This report is made solely to the Charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

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Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

20 December 2021

CHABAD LUBAVITCH UK
Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 December 2020

		Endowment funds	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	Note	£	£	£	£	£
Income from:						
Donations and legacies	3	-	2,827,755	-	2,827,755	2,510,546
Grants	3	-	365,545	835,786	1,201,331	1,433,995
Charitable activities: Outreach and Education	4	-	807,298	128,585	935,883	1,014,607
Other trading activities: Functions and events	5	-	58,886	-	58,886	245,713
Investment activities	6	-	10,005	-	10,005	18,506
Other income	7	-	298,043	-	298,043	-
Total income		<u>-</u>	<u>4,367,532</u>	<u>964,371</u>	<u>5,331,903</u>	<u>5,223,367</u>
Expenditure on:						
Raising funds		-	102,944	-	102,944	151,921
Charitable activities: Outreach and Education		-	4,341,824	964,371	5,306,195	5,325,605
Total expenditure	8	<u>-</u>	<u>4,444,768</u>	<u>964,371</u>	<u>5,409,139</u>	<u>5,477,526</u>
Net (expenditure) for the year		-	(77,236)	-	(77,236)	(254,159)
Transfers between funds		-	1,455,896	(1,455,896)	-	-
Net (expenditure) before other recognised gains and losses		-	1,378,660	(1,455,896)	(77,236)	(254,159)
Gains on revaluation of fixed assets		-	175,434	-	175,434	-
Net movement in funds	17	<u>-</u>	<u>1,554,094</u>	<u>(1,455,896)</u>	<u>98,198</u>	<u>(254,159)</u>
Reconciliation of funds:						
Total funds brought forward		70,000	13,530,434	1,455,896	15,056,330	15,310,489
Total funds carried forward		<u>70,000</u>	<u>15,084,528</u>	<u>-</u>	<u>15,154,528</u>	<u>15,056,330</u>

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

CHABAD LUBAVITCH UK
Balance sheet
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets:					
Tangible assets	12		16,753,417		16,659,742
Current assets:					
Debtors	13	355,627		605,571	
Cash at bank and in hand		<u>955,090</u>		<u>644,627</u>	
		1,310,717		1,250,198	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(1,874,085)</u>		<u>(1,819,568)</u>	
Net current liabilities			<u>(563,368)</u>		<u>(569,370)</u>
Total assets less current liabilities			16,190,049		16,090,372
Creditors: amounts falling due after one year	15		<u>(1,035,521)</u>		<u>(1,034,042)</u>
Total net assets			<u>15,154,528</u>		<u>15,056,330</u>
Funds					
Permanent endowment funds			70,000		70,000
Restricted funds		<u>-</u>		<u>1,455,896</u>	
Total Restricted funds			-		1,455,896
Unrestricted funds:					
Revaluation funds		10,026,850		10,171,361	
General funds		<u>5,057,678</u>		<u>3,359,073</u>	
Total Unrestricted funds			<u>15,084,528</u>		<u>13,530,434</u>
Total funds	17		<u>15,154,528</u>		<u>15,056,330</u>

Approved by the corporate trustee and signed on its behalf by:

Rabbi P Efune
On behalf of Lubavitch (UK) Limited

Rabbi I H Sufrin
On behalf of Lubavitch (UK) Limited

20 December 2021

The attached notes form part of the financial statements.

CHABAD LUBAVITCH UK
Statement of cash flows
For the year ended 31 December 2020

	Note	2020 £	2020	2019	2019 £
Cash flows from operating activities:					
Net cash provided by / (used in) operating activities	18		747,947		31,733
Cash flows from investing activities:					
Interest/ rent/ dividends from investments					
Sale/ (purchase) of fixed assets		(398,048)		(56,274)	
		<hr/>		<hr/>	
Cash provided by / (used in) investing activities			(398,048)		(56,274)
Cash flows from financing activities:					
Repayments of borrowing		34,485		114,083	
		<hr/>		<hr/>	
Cash provided by / (used in) financing activities			34,485		114,083
			<hr/>		<hr/>
Change in cash and cash equivalents in the year			384,384		89,542
Cash and cash equivalents at the beginning of the year			427,229		337,687
			<hr/>		<hr/>
Cash and cash equivalents at the end of the year	19		811,613		427,229
			<hr/> <hr/>		<hr/> <hr/>

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Income recognition

Income from charitable and trading activities is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

d) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)**e) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

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 settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accrual basis and includes attributable VAT where it cannot be recovered.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity and its activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 8.

i) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold property and improvements	2% straight line
Fixtures and fittings	20% reducing balance
Computer equipment	20% reducing balance
Motor vehicles	25% on reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from revaluation reserve to the general reserve.

k) Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

1 Accounting policies (continued)

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Pensions

The Charity finished operating its defined contribution scheme during 2015 on the retirement by the final member and the change in legislation to "Opt-in". The assets of the scheme are held separately from those of the Charity being invested with an insurance company. Any contributions payable for the year are charged in the statement of financial activities.

2 Detailed comparatives for the statement of financial activities

	2019 Endowment £	2019 Unrestricted £	2019 Restricted £	2019 Total £
Income from:				
Donations and legacies	-	2,510,546	-	2,510,546
Grants	-	192,282	1,241,713	1,433,995
 Charitable activities:				
Outreach and Education	-	855,762	158,845	1,014,607
 Other trading activities				
Functions and events	-	245,713	-	245,713
 Investment activities				
	-	18,506	-	18,506
Total income	-	3,822,809	1,400,558	5,223,367
Expenditure on:				
Raising funds	-	151,921	-	151,921
Charitable activities:	-	3,875,243	1,450,362	5,325,605
Total expenditure	-	4,027,164	1,450,362	5,477,526
Net income / expenditure	-	(204,355)	(49,804)	(254,159)
 Transfers between funds	 -	 9,198,128	 (9,198,128)	 -
Net income / (expenditure) before other recognised gains and losses	-	8,993,773	(9,247,932)	(254,159)
 Gains / (losses) on revaluation of fixed assets	 -	 -	 -	 -
Net movement in funds	-	8,993,773	(9,247,932)	(254,159)
 Reconciliation of funds:				
Total funds brought forward	70,000	4,536,661	10,703,828	15,310,489
Total funds carried forward	70,000	13,530,434	1,455,896	15,056,330

CHABAD LUBAVITCH UK

Notes to the financial statements

For the year ended 31 December 2020

3 Income from donations and legacies

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations and legacies	2,827,755	-	2,827,755	2,510,546
Grants	365,545	835,786	1,201,331	1,433,995
Total income	3,193,300	835,786	4,029,086	3,944,541

Included in the grants are £657,611 received from Hackney Learning Trust (2019: £ 1,241,713).

4 Income from charitable activities

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Outreach and Education	807,298	128,585	935,883	1,014,607
Total income from charitable activities	807,298	128,585	935,883	1,014,607

5 Income from other trading activities

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Functions and events	58,886	-	58,886	245,713
Total income from other trading activities	58,886	-	58,886	245,713

6 Income from investments

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Rental income received	10,005	-	10,005	18,506
Total income from investments	10,005	-	10,005	18,506

7 Other income

			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Coronavirus job retention scheme	298,043	-	298,043	-
Total income from other income	298,043	-	298,043	-

CHABAD LUBAVITCH UK
Notes to the financial statements
For the year ended 31 December 2020

8 Analysis of expenditure

	Basis of allocation	Support cost	Governance costs	Raising Funds	Charitable activities	2020 Total	2019 Total
		£	£	£	£	£	£
Outreach	Direct	-	-	49,494	1,012,330	1,061,824	1,075,410
Legal & Professional	Direct	-	32,132	-	76,103	108,235	102,613
Accountancy fees	Direct	15,706	-	-	-	15,706	3,714
Auditor's remuneration	Direct	-	25,000	-	-	25,000	25,000
Wages	Staff time	74,685	-	41,168	2,129,235	2,245,088	1,920,103
Other staff costs	Direct	-	-	-	85,783	85,783	57,332
Donations paid	Direct	-	-	-	239,510	239,510	501,396
Book & shop supplies	Direct	-	-	-	22,064	22,064	5,710
Hire of equipment	Direct	-	-	-	-	-	4,464
Telephone	Staff time	35,956	-	-	-	35,956	39,888
Printing, postage & stationery	Staff time	62,814	-	-	-	62,814	51,468
Advertising	Staff time	-	-	12,282	-	12,282	33,069
Travel and Motor expenses	Staff time	-	-	-	75,026	75,026	118,180
Subscription	Staff time	-	-	-	-	-	1,064
Premises costs	Staff time	-	-	-	743,210	743,210	924,862
Computer maintenance	Staff time	39,736	-	-	-	39,736	26,727
Miscellaneous	Staff time	-	-	-	71,643	71,643	4,318
Bank charges	Staff time	24,598	-	-	-	24,598	20,487
Bank interest	Staff time	60,857	-	-	-	60,857	62,099
Depreciation	Staff time	-	-	-	479,807	479,807	499,622
		314,352	57,132	102,944	4,934,711	5,409,139	5,477,526
Support costs		(314,352)	-	-	314,352	-	-
Governance costs		-	(57,132)	-	57,132	-	-
Total expenditure 2020		-	-	102,944	5,306,195	5,409,139	
Total expenditure 2019		-	-	151,921	5,325,605		5,477,526

Donations were paid to individuals and other organisations during the year to support education and other charitable activities.

Of the total expenditure, £4,444,768 was unrestricted (2019: £4,027,164) and £964,371 was restricted (2019: £1,450,362).

Support and governance costs are allocated based on projected time spent by employees.

9 Net income / (expenditure) for the year

This is stated after charging / (crediting):	2020	2019
	£	£
Depreciation	479,807	499,622
Auditor's remuneration		
Audit	25,000	25,000
Other services	-	32,000

10 Analysis of staff costs, trustee remuneration and expenses, and key management personnel costs

Staff costs were as follows:	2020	2019
	£	£
Salaries and wages	2,102,065	1,771,469
Social security costs	65,383	58,313
Pension contributions	77,640	90,321
	2,245,088	1,920,103

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2020	2019
	No.	No.
£60,000 - £69,999	1	1

The total employee benefits including pension contributions of the key management personnel were £74,685 (2019: £72,048).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020	2019
	No.	No.
Raising funds	3	3
Charitable activities	145	123
Support	10	13
Governance	3	3
	161	142

The charity also acknowledges the support of the volunteers who were used in day to day charitable activities and who helped the charity to achieve its charitable objectives.

11 Taxation

The charity is exempt from tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Freehold property £	Leasehold property £	Improvement to premises £	Fixtures, fittings & Equipment £	Motor vehicles £	Total £
Cost						
At the start of the year	18,751,183	775,000	2,160,403	1,107,045	102,633	22,896,264
Additions in year	-	-	309,114	7,810	81,124	398,048
Revaluation	175,434	-	-	-	-	175,434
At the end of the year	18,926,617	775,000	2,469,517	1,114,855	183,757	23,469,746
Depreciation						
At the start of the year	4,351,021	345,710	381,564	1,061,933	96,294	6,236,522
Charge for the year	366,991	34,810	41,135	17,817	19,054	479,807
At the end of the year	4,718,012	380,520	422,699	1,079,750	115,348	6,716,329
Net book value						
At the end of the year	14,208,605	394,480	2,046,818	35,105	68,409	16,753,417
At the start of the year	14,400,162	429,290	1,778,839	45,112	6,339	16,659,742

Land with a value of £ 4,770,899 (2019: £4,770,899) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

13 Debtors

	2020 £	2019 £
Trade debtors	266,080	262,309
Other debtors	89,547	343,262
	<u>355,627</u>	<u>605,571</u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	143,477	217,398
Bank loans	74,034	114,949
Trade creditors	172,014	141,300
Taxation and social security	170,749	76,115
Other creditors	1,207,878	1,203,496
Accruals	105,933	66,310
	<u>1,874,085</u>	<u>1,819,568</u>

15 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	1,035,521	1,034,042
	<u>1,035,521</u>	<u>1,034,042</u>

Total bank loans of £1,109,555 (2019: £1,148,991) are secured against the following properties:

135 Clapton Common, London E5 9AE

42 St George Road, London SW19 4ED

228 Hale Lane, Edgware HA8 9QF

75a Cowley Rd, Oxford OX4 1HR

168 Shadwell Lane Leeds LS17 8AD

16 Analysis of net assets between funds 2020

	Revaluation fund	Endowment fund	Unrestricted funds	Restricted funds	2020 Total funds
			£	£	£
Tangible fixed assets	10,026,850		6,726,567	-	16,753,417
Net current assets / (liabilities)		70,000	(633,368)	-	(563,368)
Long term liabilities			(1,035,521)	-	(1,035,521)
Net assets at the end of the year	10,026,850	70,000	5,057,678	-	15,154,528

Analysis of net assets between funds 2019

	Revaluation fund	Endowment fund	Unrestricted funds	Restricted funds	2019 Total funds
			£	£	£
Tangible fixed assets	10,171,361		5,032,485	1,455,896	16,659,742
Net current assets		70,000	(639,370)	-	(569,370)
Long term liabilities			(1,034,042)	-	(1,034,042)
Net assets at the end of the year	10,171,361	70,000	3,359,073	1,455,896	15,056,330

17 Movements in funds 2020

	Funds at the start of the year	Income	Expenditure	Transfers	Revaluation	Funds at the end of the year
	£	£	£	£	£	£
Unrestricted funds:						
Revaluation fund	10,171,361	-	-	(319,945)	175,434	10,026,850
General funds	3,359,073	4,367,532	(4,444,768)	1,775,841	-	5,057,678
Total unrestricted funds	13,530,434	4,367,532	(4,444,768)	1,455,896	175,434	15,084,528
Restricted funds:						
Children Centre	1,455,896	619,338	(619,338)	(1,455,896)	-	-
Nursery	-	216,448	(216,448)	-	-	-
Edgware	-	128,585	(128,585)	-	-	-
Total restricted funds	1,455,896	964,371	(964,371)	(1,455,896)	-	-
Permanent endowment funds	70,000	-	-	-	-	70,000
Total funds	15,056,330	5,331,903	(5,409,139)	-	175,434	15,154,528

Movements in funds 2019

	Funds at the start of the year £	Income £	Expenditure £	Transfers £	Revaluation £	Funds at the end of the year £
Unrestricted funds:						
Unrestricted revaluation reserve	1,327,253	-	-	8,844,108	-	10,171,361
General funds	3,209,408	3,822,809	(4,027,164)	354,020	-	3,359,073
Total unrestricted funds	4,536,661	3,822,809	(4,027,164)	9,198,128	-	13,530,434
Restricted funds:						
Restricted revaluation reserve	9,211,711	-	-	(9,211,711)	-	-
Youth	278,527	31,600	(40,557)	(269,570)	-	-
Children Centre	1,430,666	887,555	(862,325)	-	-	1,455,896
Nursery	66,077	225,619	(291,696)	-	-	-
CST Fund	-	61,631	(61,631)	-	-	-
Edgware	-	194,153	(194,153)	-	-	-
Leeds	(58,137)	-	-	58,137	-	-
Oxford	(225,016)	-	-	225,016	-	-
Total restricted funds	10,773,828	1,400,558	(1,450,362)	(9,198,128)	-	1,455,896
Permanent endowment funds	70,000	-	-	-	-	70,000
Total funds	15,380,489	5,223,367	(5,477,526)	-	-	15,056,330

Restricted Funds:

The charity's restricted funds during the year were made up as follows:

Children's Centre - this fund was established to receive donations for the building of the new Children's Centre.

Permanent endowment funds:

L Steinberg endowment- The gift was made to the charity on condition that it is held as a permanent endowment, the income from which is freely available to fund the activities of the charity.

18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(77,236)	(254,159)
Depreciation	479,807	499,622
(Increase)/ decrease in debtors	249,944	9,258
Increase/ (decrease) in creditors	95,432	(222,988)
Net cash provided by / (used in) operating activities	747,947	31,733

19 Analysis of cash and cash equivalents	At 1 January 2020 £	Cash flows £	Other changes £	At 31 December 2020 £
Cash at bank and in hand	644,627	310,463	-	955,090
Overdraft facility (repayable on demand)	(217,398)	73,921	-	(143,477)
Total cash and cash equivalents	427,229	384,384	-	811,613

Analysis of cash and cash equivalents 2019

	At 1 January 2019 £	Cash flows £	Other changes £	At 31 December 2019 £
Cash at bank and in hand	536,614	108,013	-	644,627
Overdraft facility (repayable on demand)	(198,927)	(18,471)	-	(217,398)
Total cash and cash equivalents	337,687	89,542	-	427,229

20 Related party transactions

As well as employing the directors of the corporate trustee, the charity also employed several individuals who were related to the directors of the corporate trustee. Salaries paid to these individuals were as follows:

Name	Job role	Relationship	Annual teaching salary £	Loan to Charity £
Family of Rabbi I H Sufrin Rabbi I H Sufrin	Rabbi		6,000	108,000
Family of Rabbi Y Angyalfi Rabbi Y Angyalfi Mrs S Angyalfi	Rabbi	Wife	20,025 20,025	
Family of Rabbi P Efune Rabbi P Efune	Rabbi		-	77,050

21 Corporate Trustee

The charity is governed by the board of directors of the corporate trustee Lubavitch (UK) Limited (a company limited by guarantee incorporated in England and Wales under company number 02932344), which is responsible for setting the charity's strategy, for ensuring good governance and that it fulfils its objectives of delivering public benefit. The directors of the corporate trustee during the reporting period were:

- Rabbi Y Angyalfi
- Rabbi P Efune
- Rabbi I H Sufrin
- Mr S Chevern
- Mr M Rabin