

REGISTERED COMPANY NUMBER: SC479154 (Scotland)
REGISTERED CHARITY NUMBER: SC045668

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018
FOR
CHABAD LUBAVITCH OF EDINBURGH LIMITED**

DAS Accounting Services Ltd
105 Eade Road
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London
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CHABAD LUBAVITCH OF EDINBURGH LIMITED
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FOR THE YEAR ENDED 30 JUNE 2018

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CHABAD LUBAVITCH OF EDINBURGH LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 JUNE 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2018. The trustees have adopted the provisions of 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

Objectives and aims

The charity's objectives are to further those purposes both in the United Kingdom and abroad recognised as charitable by Scottish law. In furtherance of the aforementioned objects, the charity receives income mainly from charitable donations, which it utilises to further the objectives of the charity.

The charity's principle activities, although not restricted to, are to advance, promote and provide facilities for the practice of the Jewish religion in accordance with Orthodox Jewish tenets.

The trustees confirm their compliance with the duty to have due regard to the public benefit guidance published by the Charity Commission when reviewing the charity's aims and objectives and in planning future activities.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the charity continued to pursue its charitable objects.

Income from donations and other income aggregated £94,403. Total resources expended was £87,681 resulting in net surplus of £5,722.

FINANCIAL REVIEW

Financial position

The financial results of the charity for the year ended 30 June 2018 are fully reflected in the attached Financial Statements together with the Notes thereon.

The trustees are satisfied with the results for the year.

The charity's Statement of Financial Activities show a net surplus of £5,722 (2017: deficit of £13,853) and total reserves of £19,618 (2017: £25,341) in deficit.

Reserves policy

It is the policy of the charity to maintain Unrestricted Funds, which include the Free Reserves of the charity, at a level which the trustees think appropriate after considering the future commitments of the charity and the likely costs of the charity for the next year.

Going concern

Notwithstanding the adverse financial position of the charity, the Financial Statements have been prepared in accordance with the accounting principles appropriate to a going concern. This being dependant upon the continued provision of financial support by the charity's loan creditors in respect of which the trustees are confident that continued support will be made available or alternative facilities could be obtained.

FUTURE PLANS

The future plans of the charity are to continue its charitable aims, whilst ensuring that the ability to generate sufficient income is maintained to achieve that end.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The power to appoint new trustees is vested in the current board. It is not the intention of the trustees of the charity to appoint any new trustees. Should the situation change in the future, the trustees will apply suitable recruitment induction and training procedures

CHABAD LUBAVITCH OF EDINBURGH LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 JUNE 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wider network

At present Chabad Lubavitch Of Edinburgh does not consider itself part of a wider network

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC479154 (Scotland)

Registered Charity number

SC045668

Registered office

33A West Preston Street
Edinburgh
EH8 9PY

Trustees

Mr P Weinman

Mr L Cohen

Mr S Hecht

Independent examiner

DAS Accounting Services Ltd
105 Eade Road
OCC Building A
2nd Floor, Unit 11A
London
N4 1TJ

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Chabad Lubavitch of Edinburgh Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**CHABAD LUBAVITCH OF EDINBURGH LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2018**

Approved by order of the board of trustees on 29 March 2019 and signed on its behalf by:

Mr P Weinman - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CHABAD LUBAVITCH OF EDINBURGH LIMITED**

I report on the accounts for the year ended 30 June 2018 set out on pages five to ten.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mr Pesach Davidoff
FCCA
DAS Accounting Services Ltd
105 Eade Road
OCC Building A
2nd Floor, Unit 11A
London
N4 1TJ

29 March 2019

CHABAD LUBAVITCH OF EDINBURGH LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2018

		2018 Unrestricted fund £	2017 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		62,316	63,912
Other trading activities	2	17,359	8,137
Investment income	3	13,722	-
Total		<u>93,397</u>	<u>72,049</u>
EXPENDITURE ON			
Raising funds		8,680	752
Charitable activities			
Outreach expenses		33,412	43,364
Donations and grants		-	572
Other		45,583	41,214
Total		<u>87,675</u>	<u>85,902</u>
NET INCOME/(EXPENDITURE)		5,722	(13,853)
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>(25,341)</u>	<u>(11,488)</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(19,619)</u></u>	<u><u>(25,341)</u></u>

CHABAD LUBAVITCH OF EDINBURGH LIMITED
BALANCE SHEET
AT 30 JUNE 2018

	Notes	2018 Unrestricted fund £	2017 Total funds £
CURRENT ASSETS			
Cash at bank		3,116	3,029
CREDITORS			
Amounts falling due within one year	7	(22,735)	(28,370)
NET CURRENT ASSETS/(LIABILITIES)		<u>(19,619)</u>	<u>(25,341)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(19,619)</u>	<u>(25,341)</u>
NET ASSETS/(LIABILITIES)		<u>(19,619)</u>	<u>(25,341)</u>
FUNDS	8		
Unrestricted funds		<u>(19,619)</u>	<u>(25,341)</u>
TOTAL FUNDS		<u>(19,619)</u>	<u>(25,341)</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.
- (b)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 29 March 2019 and were signed on its behalf by:

Mr P Weinman -Trustee

CHABAD LUBAVITCH OF EDINBURGH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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.

Other income is recognised in the Statement of Financial Activities once the charity is legally entitled to the funds after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Expenditure

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs include cost of the preparation and independent examination of financial statements and cost of any legal advice to trustees on governance or constitutional matters.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

CHABAD LUBAVITCH OF EDINBURGH LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2018

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, trade and other debtors that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received net of impairment.

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition trade and other creditors that are classified as payable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid.

Cash and cash equivalent comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement only.

2. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Shop income	<u>17,359</u>	<u>8,137</u>

3. INVESTMENT INCOME

	2018	2017
	£	£
Rents received	<u>13,722</u>	<u>-</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

	2018	2017
	£	£
Trustees' salaries	<u>5,712</u>	<u>5,712</u>

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2018 nor for the year ended 30 June 2017.

5. STAFF COSTS

The average monthly number of employees during the year was as follows:

2018	2017
<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

CHABAD LUBAVITCH OF EDINBURGH LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2018

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	63,912
Other trading activities	8,137
Total	<u>72,049</u>
EXPENDITURE ON	
Raising funds	752
Charitable activities	
Outreach expenses	43,364
Donations and grants	572
Other	41,214
Total	<u>85,902</u>
NET INCOME/(EXPENDITURE)	<u>(13,853)</u>
RECONCILIATION OF FUNDS	
Total funds brought forward	<u>(11,488)</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>(25,341)</u></u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other creditors	21,035	28,370
Accruals and deferred income	1,700	-
	<u>22,735</u>	<u>28,370</u>

Included in 'Other Creditors' is an amount of £16,235 (2017: £14,836) due to a trustee of the charity.

8. MOVEMENT IN FUNDS

	At 1.7.17 £	Net movement in funds £	At 30.6.18 £
Unrestricted funds			
General fund	(25,341)	5,722	(19,619)
TOTAL FUNDS	<u>(25,341)</u>	<u>5,722</u>	<u>(19,619)</u>

CHABAD LUBAVITCH OF EDINBURGH LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2018

8. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	93,397	(87,675)	5,722
TOTAL FUNDS	<u>93,397</u>	<u>(87,675)</u>	<u>5,722</u>

Comparatives for movement in funds

	At 1.7.16 £	Net movement in funds £	At 30.6.17 £
Unrestricted Funds			
General fund	(11,488)	(13,853)	(25,341)
TOTAL FUNDS	<u>(11,488)</u>	<u>(13,853)</u>	<u>(25,341)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	72,049	(85,902)	(13,853)
TOTAL FUNDS	<u>72,049</u>	<u>(85,902)</u>	<u>(13,853)</u>

9. RELATED PARTY DISCLOSURES

Other than disclosed elsewhere in the accounts, there were no related party transactions for the year ended 30 June 2018.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.