



iF charity

Report and Financial Statements for the Year Ended

31 December 2023

Charity No: 1095626

IF CHARITY (Registered Charity No. 1095626):
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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IF CHARITY (Registered Charity No. 1095626):
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Legal and Administrative Information

Trustees

Mr Abdessamed El Haouari
Mr Sohedul Choudhury
Mr Omar Kachouh

Chairman

Mr Abdessamed El Haouari

Correspondence address

Unit 1, 29 Henley Street
Birmingham
B11 1JB

Independent Auditors

M Akram & Co.
Chartered Accountants
413 Lea Bridge Road
London
E10 7EA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out on page 17-26 and fully comply with the charity's trust deed and applicable law.

Trustees' Statement

As trustees, we are compelled once again to address the severe humanitarian crisis in Gaza. The ongoing conflict continues to inflict unimaginable suffering on countless families and individuals. The widespread destruction of homes, hospitals, and schools, and the tragic loss of civilian lives, particularly children, have left a deep scar on the region.

The protection of civilians must be paramount, and access to essential humanitarian aid—including food, clean water, and medical supplies—must be guaranteed without delay. The impact on Gaza's most vulnerable—children, the elderly, and those already living in extreme hardship—is nothing short of catastrophic.

As an organisation, we remain committed to supporting relief efforts on the ground. We are working closely with partners to provide life-saving aid and services to those in desperate need. Beyond emergency response, we must also advocate for meaningful and sustained efforts toward peace, addressing the underlying causes of this conflict and striving for a solution that secures justice, dignity, and safety for all.

We call upon the international community and world leaders to prioritise humanitarian principles, uphold international law, and push for a sustainable peace that ensures no more lives are lost to violence. Our hearts go out to all those suffering, and we reaffirm our unwavering solidarity with the people of Gaza during this protracted and deeply painful crisis.

Organisation and Objectives

Organisation

'IF' is a British charity (Registered Charity No. 1095626) constituted under a trust deed dated 20 February 2002, as amended by a supplemental deed dated 20 December 2002.

The trustees who have served during the year are set out on page 3. Trustees are appointed by a resolution of the trustees at a special meeting. The trustees meet as and when required to discuss the business of the charity.

Objectives of the Charity

The objects of the charity are the provision of general charitable welfare services such as poverty relief, promotion of education, empowerment of the local community and support for medical aid.

Since 2009, the charity's main area of activity has been the Gaza Strip; this followed the 2008-2009 military assault on Gaza that resulted in the ongoing humanitarian crisis.

Areas of Work

IF Charity has a robust system of aid delivery set up to ensure the following humanitarian programmes could be safely and successfully implemented in the field:

- **Gaza Relief Programme:** This programme aims to address poverty alleviation and includes the provision of food aid, shelter, financial support and emergency aid. It also includes all projects related to seasonal Ramadan and Eid Al Adha programmes.
- **Gaza Medical Fund:** With the health sector in Gaza struggling to cope, this fund works to support better healthcare and ensure access to medical care for the vulnerable.
- **Gaza Education Projects:** With the majority of Gaza's population under the age of 18 years old, this section of IF Charity's work relates to addressing educational needs and improving educational institutions.
- **Community Support Programme:** This category addresses long-term support for the community in Gaza, including empowerment and capacity building. Projects include job creation, providing access to clean water for those in need and supporting local NGOs.

Operations

Up until October 2023 the charities operations were functioning in line with normal established processes. The trustees continued to utilise the expertise of the charity to deliver aid whilst robust due diligence and governance remained a key focus for the trustees. In the UK new HR management software was initiated to manage our area representatives and admin staff. Trustees continued to respond to regulators and any queries were successfully concluded. Our seasonal marketing campaigns were successfully carried out.

After October 2023, as the war intensified and large parts of the Gaza population was displaced and moved into smaller and smaller areas of shelter, our communication with the team became haphazard and faced disruption. This led to a delay of submitting the annual report for 2022 to the Charities Commission. During this period the commission was kept aware of the situation and when communication improved the report was submitted successfully.

In order to facilitate effective project delivery, funds are transferred on a regular basis to trust partners. Once received, the implementation of projects continued in line with our projects. The trustees reassessed the need on the ground and responded diligently to the aid that was required focusing on food aid distribution.

Public Benefit

The trustees confirm they have given due consideration to public benefit and have complied with the Charities Act 2011 in this regard.

Risk Management

The trustees are aware of the risks associated with working in a politically sensitive area. As such, the charity has adopted the stringent due diligence and risk management processes that ensure robust compliance processes are in place. The trustees are confident these satisfy all regulatory authorities and their legal duties. The trustees also adhere to safeguarding practices and have safeguarding policies in place. Regulations related to GDPR, anti-theft & money laundering and data protection are also followed by the charity in line with good governance.

Review of Activities and Achievements in 2023

In 2023, the charity effectively disbursed £1,872,361 to provide essential support to vulnerable populations in Gaza, addressing critical humanitarian needs. These funds were allocated across various projects aimed at tackling food insecurity, healthcare shortages, and financial hardships. Below is a summary of the charity's efforts in line with the current humanitarian crisis.

Food Security Interventions

Food insecurity remains one of the most urgent issues in Gaza, where over 60% of the population is food insecure, according to the United Nations. Many families rely on external assistance to meet their basic nutritional needs.

As part of the Gaza Relief Programme, (before October 2023), the charity provided food parcels and vouchers to 425 families, ensuring access to essential food items. Later in the year, another 556 families were supported with critical food items, addressing the escalating shortages brought on by the ongoing conflict and the blockade. The charity's proactive approach ensured that more than 980 families received life-saving food supplies, helping to mitigate the effects of widespread food scarcity.

Donations received during the Ramadan campaign of 2023 enabled us to help 2,832 families with food vouchers. Similarly, 148 households received food parcels and for Eid-ul-Fitr, 208 families received food items including chicken, rice, and cooking oil. During the Eid-ul-Adha campaign 3,482 orphans and their families received meat parcels ensuring that they can participate in the joy of Eid.

After October 2023 the war has led to starvation and Gaza was declared at risk of famine. In response IF Charity was able to distribute food parcels to 1662 families. As schools became shelters and universities were destroyed, our response was to reallocate the education budget to provide essential medical aid.

Healthcare Assistance

Gaza's healthcare system is in a state of near-total collapse, exacerbated by continuous military strikes and prolonged blockades. The World Health Organization (WHO) reports that 58% of Gaza's 36 hospitals are non-functional, with 78% of the 73 primary care clinics also ceasing operations due to damage, lack of medical supplies, and fuel shortages.

Recognising this dire need, the charity's Gaza Medical fund allocated £77,764 towards bolstering medical emergency aid in Gaza. This helped provide essential equipment such as an x-ray machine, operating table, patient beds, and an anaesthesia device. Additionally, the charity supplied large quantities of essential medicines, including anti-inflammatory drugs, antibiotics, proton pump inhibitors, anti-nausea medication, anti-seizure treatments, and neuromuscular blockers. These medical interventions were crucial in sustaining limited healthcare services and addressing the immediate needs of those affected by conflict.

Financial Assistance for Families in Poverty

Gaza's economic conditions are dire, with nearly 70% of the population living in poverty and dependent on charitable organisations for daily necessities. The charity's Gaza relief programme reached 2,394 children and their families, providing them with the means to purchase food, clothing, and other essential subsistence items. This financial aid was critical in alleviating the economic burden on households that have been devastated by conflict, loss of livelihood, and destruction of infrastructure.

As part of the Community support programme £352,307 was expended in support of capacity building and job creation programme in the community. This provided Long-term support and empowerment for the community in Gaza.

We would like to thank the community and our donors for their generosity in responding to our appeals throughout the year. Their contributions and trust they have placed in us is most valued and appreciated by the Trustees and our beneficiaries.

External Factors Affecting Achievement

The ongoing war in Gaza continues to produce challenges and complexity in the delivery of aid. The escalation endangers the whole region and plunges it into a long and protracted war. The lack of availability and cost of essential goods continues to increase therefore reducing the purchasing power of the charity. The escalating conflict has led to higher costs for goods, services, and transportation, putting pressure on charities to stretch their budgets further in an unstable economic environment.

Charities operating in Gaza have to navigate a complex legal framework to ensure compliance with anti-terrorism financing laws, which poses significant operational and reputational risks. External audits and regulatory checks may be complicated or delayed, increasing the risk of non-compliance or loss of donor confidence.

Anti-Palestinian organisations continue to conduct a troubling campaign of intimidation against NGOs operating in the occupied territories, negatively impacting their services and reputation. Consequently, the trustees remain dedicated to collaborating with relevant authorities and professionals while upholding high standards of governance and due diligence to protect the charity's mission.

Plans for the Future:

In the context of the continuing catastrophic humanitarian disaster in Gaza resulting from the ongoing war, the trustees are committed to do all that is required to ensure effective response and sound delivery of aid to the people there.

In the coming period the trustees will focus on:

1. Adapting and securing the growth of the charity
2. Increasing the delivery of aid to Gaza
3. Expanding our reach and donor base
4. Maintaining and enhancing good governance policies and processes

Financial review

During the year, the charity received a total income of £2,648,923 (2022: £3,107,691). Of the total funds received, £688,764 of the funds was restricted and £1,960,159 was received as unrestricted funds. All funds were allocated to the charity's specific aid programmes in Gaza.

The total funds expended amounted to £2,088,464 (2022: £3,950,365). This includes the sum of £1,872,361 (2022: £3,731,919) expended on charitable activities, representing 90% of the total expenditure. A total amount of £1,442,290 was expended for the Gaza Relief Programme (which is 77% of charitable spending); £77,764 for Medical Aid (4% of charitable spending) and £352,307 (19% of total charitable spending) for the Community Support Programme.

The cost of raising funds amounted to £216,103 (2022: £218,446), which is 8% of the total Income. The total amount carried forward to be expended in the following year as part of the restricted funds amounted to £415,813. The unrestricted amount carried forward amounted to £1,200,708.

The trustees have reviewed the financial position and are committed to continuing the positive growth of the charity.

Reserves Policy

The trustees have established a policy whereby the unrestricted funds not committed or invested are maintained at a level that allows the charity to operate as a going concern for at least one year. The actual unrestricted reserves carried forward for the year amounted to £1,200,708, which is sufficient for the purpose of covering operational costs and planned charitable expenditure.

Going Concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. This assessment has been made on the basis of the review of the financial position and the operational risks. The trustees are satisfied that the financial position of the charity is sound with the appropriate safeguards in place.

Statement of trustees' responsibilities in relation to financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which 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 Charity (Accounts and Reports) Regulations 2008 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

The trustees confirm that as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Approved by the trustees and signed on its behalf by:



Abdessamed El Haouari - Trustee
Date: 18.10.2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF IF CHARITY

Opinion

We have audited the financial statements of IF Charity ("the Charity") for the year ended 31st December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 31st December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulation 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are 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 the trustees determine 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 trustees are 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 trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We enquired of the management, which included obtaining and reviewing supporting documentation, concerning the Charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We identified the laws and regulations applicable to the Charity through discussions with the management, and from our commercial knowledge and experience of the Charity sector, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Charity.
- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We inspected the minutes of meetings of the Board of Trustees.
- We reviewed any reports made to the Charity Commission.
- We inquired of management of any complaints raised by donors, beneficiaries, representatives in the UK and in the areas of operation abroad.
- We agreed the financial statement disclosures to underlying supporting documentation.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments to identify unusual transactions and investigated 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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

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M Akram & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



M Akram & Co (Statutory Auditor)
413 Lea Bridge Road
London
E10 7EA

Date: 18-10-2024

Statement of Financial Activities for the Year Ended 31 December 2023

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2023 Total Funds £ | 2022 Total Funds £ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and grants | 3 | 1,960,159 | 688,764 | 2,648,923 | 3,107,691 |
| Total income | | 1,960,159 | 688,764 | 2,648,923 | 3,107,691 |
| Expenditure on: | | | | | |
| Charitable activities | 4 | 1,167,442 | 704,919 | 1,872,361 | 3,731,919 |
| Raising funds | 5 | 216,103 | - | 216,103 | 218,446 |
| Total expenditure | | 1,383,545 | 704,919 | 2,088,464 | 3,950,365 |
| Net income/(expenditure) | | 576,614 | (16,155) | 560,459 | (842,674) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 624,094 | 431,968 | 1,056,062 | 1,898,736 |
| Total funds carried forward | | 1,200,708 | 415,813 | 1,616,521 | 1,056,062 |


There are no recognised gains and losses other than those passing through the Statement of Financial Activities. All income and expenditure is derived from continuing activities. The notes on pages 17 -26 form an integral part of these financial statements.

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Balance Sheet as at 31 December 2023

| | Notes | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|---|-------|------------------|-------------------------|-----------------|-------------------------|
| Fixed Assets | | | | | |
| Tangible Assets | 7 | | 1,414 | | 1,386 |
| Current Assets | | | | | |
| Debtors | 8 | 496,908 | | 286,192 | |
| Cash at bank and in hand | | <u>1,154,284</u> | | <u>794,420</u> | |
| | | 1,651,192 | | 1,080,612 | |
| Creditors: amounts falling due within one year | 9 | <u>(36,085)</u> | | <u>(25,936)</u> | |
| Net Current Assets | | | <u>1,615,107</u> | | <u>1,054,676</u> |
| Net Assets | | | <u>1,616,521</u> | | <u>1,056,062</u> |
| Funds | | | | | |
| Restricted | 10 | | 415,813 | | 431,968 |
| Unrestricted | 11 | | <u>1,200,708</u> | | <u>624,094</u> |
| Total Funds | | | <u>1,616,521</u> | | <u>1,056,062</u> |

These financial statements were approved by the Board of Trustees and signed on their behalf by:



Abdessamed El Haouari
Trustee

Date: 18.10.2024

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Statement of Cash Flows for the Year Ended 31 December 2023

| | Notes | 2023 £ | 2022 £ |
|---|-------|-------------------------|-----------------------|
| Net cash provided by/(used in) operating activities | 13 | 360,363 | (61,609) |
| | | <hr/> | <hr/> |
| Cash flows from investing activities: | | | |
| Purchase of fixed assets | | (499) | (1,374) |
| | | <hr/> | <hr/> |
| Net cash used in investing activities | | (499) | (1,374) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 359,864 | (62,983) |
| | | <hr/> | <hr/> |
| Cash and cash equivalents brought forward | | 794,420 | 857,403 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents carried forward | 14 | <u>1,154,284</u> | <u>794,420</u> |

Notes forming part of the financial statements for the year ended 31 December 2023

1. Accounting Policies

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and 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) - (Charities SORP FRS 102) (as updated through second edition – October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

b) Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

c) Going concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

d) Fund accounting

Funds held by the Charity are:

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

Restricted funds – These are funds that can only be used for particular restricted purposes within the objectives of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

e) Income recognition

All income is recognised once the charity has an entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and grants are recognised in the period in which the charity is entitled to receipts where the amount can be measured reliably. The income from charitable and fundraising activities are shown gross with the associated costs included in the expenditure.

Gifts in kind such as fixed assets donated to the charity are included as donations at the value to the charity where this can be quantified. Donated facilities and services are included at value to the charity where it can be quantified and a third party is bearing the cost.

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

Investment profits on funds held on deposits are included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the profit paid by the bank.

f) Volunteers

The value of the time and services provided by volunteers is not incorporated into these financial statements in accordance with the Charities SORP FRS 102.

g) Expenditure recognition

Expenditure is recognised 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 accrual basis. Funds expended are allocated to the particular activity where the cost relates directly to that activity. However, the indirect and overhead costs of the central function including the operational and support costs have been apportioned to the charitable and fundraising activities in proportion to the direct expenditure incurred. Expenditure incurred on raising funds relates to the costs expended on attracting donations and other fundraising costs including printing, mailing and donation processing charges. Charitable expenditure comprises of those costs incurred by the charity in the delivery of its aid programme 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.

h) Tangible fixed assets

Tangible fixed assets costing more than £100 are capitalised and included at cost, including any incidental expenses of acquisition. Depreciation is provided, after taking account of any grants receivable, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a reducing balance basis over the expected useful life, as follows:

| | |
|----------------------------------|---|
| Fixtures, fittings and equipment | - 25% per annum on reducing balance basis |
|----------------------------------|---|

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

i) Taxation

As a registered charity there is no liability to tax. Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it related is incurred and is allocated as part of the expenditure to which it relates.

j) Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

k) Debtors

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

l) 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.

m) 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.

n) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Pension costs

The charity operates a defined contribution pension scheme. Contributions to the scheme are charged to the statement of financial activities for the period to which they relate to.

p) Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

2. Key judgements and estimation uncertainty

The Trustees do not consider that there are any significant judgements and sources of estimation uncertainty at the reporting date.

3. Income from donations and grants

| | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | 1,960,159 | 688,764 | 2,648,923 | 3,107,691 |
| | 1,960,159 | 688,764 | 2,648,923 | 3,107,691 |

4. Expenditure on charitable activities

The amount payable in the year comprises:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|-----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Gaza Relief Programme | 771,136 | 671,154 | 1,442,290 | 2,913,198 |
| Gaza Medical Fund | 77,764 | - | 77,764 | 49,968 |
| Gaza Education Projects | - | - | - | 43,342 |
| Community Support Programme | 318,542 | 33,765 | 352,307 | 725,411 |
| | 1,167,442 | 704,919 | 1,872,361 | 3,731,919 |

Delivery to the end beneficiaries is carried out under the control of the charity and monitored by professionals in line with the charity's policies and due diligence procedures.

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

5.Expenditure on raising funds

| | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Donation processing charges | 26,719 | - | 26,719 | 27,569 |
| Fundraising and events | 2,118 | - | 2,118 | 12,872 |
| Printing and advertising | 109,587 | - | 109,587 | 127,470 |
| Operational and support cost allocation | 77,679 | - | 77,679 | 50,535 |
| | 216,103 | - | 216,103 | 218,446 |

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

6. Operational and support costs

| | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| IT and related services | 18,181 | - | 18,181 | 22,554 |
| Outsourced support services | 12,170 | - | 12,170 | 31,798 |
| Depreciation | 471 | - | 471 | 462 |
| Accountancy fees | 12,200 | - | 12,200 | 14,500 |
| Audit fees | 7,800 | - | 7,800 | 6,600 |
| Premises rent and other related costs | 59,331 | - | 59,331 | 73,388 |
| Telephone | 3,813 | - | 3,813 | 1,709 |
| Wages and Salaries | 301,531 | - | 301,531 | 325,524 |
| Employer NI | 15,936 | - | 15,936 | 19,143 |
| Pension costs | 2,999 | - | 2,999 | 4,026 |
| Project support costs | 2,614 | - | 2,614 | 3,000 |
| Motor and Travel expenses | 3,388 | - | 3,388 | 7,324 |
| Bank Charges | 492 | - | 492 | 446 |
| Other legal and professional fees | 3,923 | - | 3,923 | 3,861 |
| Exchange loss | 52,468 | - | 52,468 | 57,928 |
| | 497,317 | - | 497,317 | 572,263 |

Staff numbers

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

| | 2023 No. | 2022 No. |
|------------------------------|-------------|-------------|
| Marketing and Fundraising | 11 | 11 |
| Management and Admin Support | 2 | 4 |
| | 13 | 15 |

During the year no employees had emoluments over £60,000 (2022 – None).

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

Total employee benefits including remuneration and pension contributions costs payable to the key management personnel for the year were £30,000 (2022 – £29,574). This represents costs payable for the Fundraising Department Manager.

Allocation of Operational and Support Costs

These charitable operations and support costs refer to funds expended to deliver aid programmes and fulfil the objectives of the charity. These include central function costs and have been apportioned to unrestricted charitable and fundraising activities in proportion to the direct unrestricted expenditure incurred.

7. Tangible Fixed Assets

| | Fixtures, fittings and equipment £ |
|-----------------------|---|
| Cost | |
| At 1 January 2023 | 4,809 |
| Additions | 499 |
| At 31 December 2023 | <u>5,308</u> |
| Depreciation | |
| At 1 January 2023 | 3,423 |
| Charge for the year | 471 |
| At 31 December 2023 | <u>3,894</u> |
| Net book value | |
| At 31 December 2023 | <u>1,414</u> |
| At 31 December 2022 | <u>1,386</u> |

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

8. Debtors

| | 2023 £ | 2022 £ |
|---------------|----------------|----------------|
| Project Funds | 413,547 | 154,174 |
| Other debtors | 83,361 | 132,018 |
| | <u>496,908</u> | <u>286,192</u> |

Project funds are funds which have been received in the field for aid projects to be completed in the coming period as specified by the trustees in line with the usual process.

9. Creditors - amounts falling due within one year

| | 2023 £ | 2022 £ |
|-----------------|---------------|---------------|
| Other creditors | 8,285 | 5,936 |
| Accruals | 27,800 | 20,000 |
| | <u>36,085</u> | <u>25,936</u> |

10. Restricted Funds

| | Balance at 1 January 2023 £ | Incoming Funds £ | Outgoing Funds £ | Balance at 31 December 2023 £ |
|--------------------------------|--------------------------------------|------------------------|------------------------|--|
| Gaza Relief Programme | 153,649 | 662,248 | 671,154 | 144,743 |
| Gaza Medical Fund | 2,824 | - | - | 2,824 |
| Gaza Education Projects | 249,695 | - | - | 249,695 |
| Community Support Programme | 25,800 | 26,516 | 33,765 | 18,551 |
| | <u>431,968</u> | <u>688,764</u> | <u>704,919</u> | <u>415,813</u> |

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

11. Unrestricted Funds

| | General Funds |
|-----------------------------|------------------|
| | £ |
| Balance at 1 January 2023 | 624,094 |
| Net income | 576,614 |
| Balance at 31 December 2023 | <u>1,200,708</u> |

12. Analysis of Net Assets between Funds

| | Unrestricted Funds | Restricted Funds | Balance at 31 December 2023 |
|---|--------------------|------------------|-----------------------------|
| | £ | £ | £ |
| Fund balances at 31 December 2023 are represented by: | | | |
| Fixed assets | 1,414 | - | 1,414 |
| Current assets | 1,235,379 | 415,813 | 1,651,192 |
| Current liabilities | (36,085) | - | (36,085) |
| Total net assets | <u>1,200,708</u> | <u>415,813</u> | <u>1,616,521</u> |

13. Reconciliation of Net Income to Net Cash Flow from Operating Activities

| | 2023 | 2022 |
|---|----------------|-----------------|
| | £ | £ |
| Net income/(expenditure) for the reporting period | 560,459 | (842,674) |
| Depreciation | 471 | 462 |
| (Increase)/Decrease in debtors | (210,716) | 795,891 |
| Increase/(Decrease) in creditors | 10,149 | (15,288) |
| Net cash provided by/(used in) operating activities | <u>360,363</u> | <u>(61,609)</u> |

Notes forming part of the financial statements for the year ended 31 December 2023 (cont.)

14. Analysis of Cash and Cash Equivalents

| | At 1 January 2023 £ | Cash flows £ | At 31 December 2023 £ |
|--|------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 794,420 | 359,864 | 1,154,284 |
| Total cash and cash equivalents | 794,420 | 359,864 | 1,154,284 |

15. Operating Lease commitments

The Charity's total future minimum lease payments under non-cancellable operating leases are as follow:

| | Office lease | |
|--------------------|---------------|---------------|
| | 2023 £ | 2022 £ |
| Less than one year | 33,180 | 26,680 |
| Two to five years | 56,000 | 24,000 |
| | 89,180 | 50,680 |

16. Related Party Transactions and Trustees Remuneration

The trustees received no remuneration during 2023 (2022 - nil). During the year there were no other related party transactions.