

**Report of the Trustees and Financial Statements**  
**for the Year Ended 31 December 2020**  
**for**  
**KKL Charity Accounts**  
**(trading as “SmartGiving”)**

# **KKL Charity Accounts**

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# KKL Charity Accounts

## Report of the Trustees for the Year Ended 31 December 2020

The Trustees, who are also the Directors of the charity, have pleasure in submitting their report and audited accounts for the year ended 31 December 2020 under the Companies Act 2006, together with the audited financial statements for that year. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number	05118360 (England and Wales)
Registered Charity number	1105998
Registered office	Mountcliff House 154 Brent Street London NW4 2BF
Trustees	G Falter (appointed 27 July 2021) J Grant (appointed 17 January 2020) S Hayek L Julius (appointed 1 July 2020) A Mendoza G Mond M Waisman H Wayne
Auditors	Nyman Libson Paul LLP Chartered Accountants Regina House 124 Finchley Road London NW3 5JS

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The Company is a registered charity and a company limited by guarantee, without share capital. It is governed by its Memorandum and Articles of Association, dated 4 May 2004, as modified by special resolution passed on 18 November 2004.

#### Appointment of Trustees

The Board of Trustees is required to consist of not less than three and a maximum of ten individuals all of whom must be Board members, with the JNF Charitable Trust entitled to nominate the majority, the minority being individuals independent from the JNF Charitable Trust. The Chairman is Mr G Mond.

Trustees are elected at Annual General Meetings. One third of the Trustees retire by rotation at each Annual General Meeting (AGM), with those longest in office and newly appointed retiring first with the choice between any of equal service made by drawing lots.

The Board delegates the exercise of certain powers in connection with the management and administration of the charity as set out below. This is controlled by requiring regular reporting back to the Board, so that all decisions made under delegated powers can be ratified.

#### **Trustee Induction and Training**

An induction training manual for Trustees was introduced in 2006. New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, committee and decision-making processes, together with familiarising them with the business plan and recent financial performance of the charity. During the induction process they meet key employees and other Trustees.

#### **Organisation**

The Board of Trustees administers the charity. The board meets quarterly.

#### **Related parties**

The charity is controlled by JNF Charitable Trust as the majority of the Board members of KKL Charity Accounts are members of the Board of JNF Charitable Trust.

#### **Management of the Company**

Under the Memorandum and Articles of Association of the charitable company the Trustees are empowered to take such steps as are necessary to achieve the charitable company's objectives and make appropriate arrangements for the sound management of its business. Management responsibilities are delegated by the Trustees to the executive management group under the direction of the Chief Executive of JNF Charitable Trust.

#### **Risk management and internal control**

The charity is committed to a policy of identifying, monitoring and managing those risks that might adversely affect the activities in which it is involved. In this context, risk is defined as the uncertainty surrounding events and their outcomes that may have a significant effect, either enhancing or inhibiting, on operational performance, achievement of aims and objectives, and meeting expectations of stakeholders.

The Trustees believe that an appropriate review of risks is necessary, risks and controls are identified and classified in terms of their likelihood and impact, and periodically reviewed, and appropriate action is identified to adequately manage the consequences of the risks.

The Trustees have overall responsibility for the charity's systems of internal control that are designed by senior management in order to ensure effective and efficient operations, including financial reporting, and compliance with laws and regulations. In establishing and reviewing systems of internal control, the Trustees and senior management have regard to the materiality of relevant risks, the likelihood of loss being incurred and the cost of control.

The Trustees believe that the principal risks identified are loss of charitable status relating from non-compliance with legislation and poor IT practice, major loss of donations, and the impact of anti-Semitic action on the company. Measures to reduce these risks and assess matters regularly have been taken.

#### **OBJECTIVES AND ACTIVITIES**

In setting the Charity's objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The Charity is established for general charitable purposes and provides services to achieve its mission of increasing the funds of charities and non-profit organisations. The Charity works to help donors make the most of their giving and charities make the most of their resources.

The Charity administers a charity voucher system, whereby clients deposit funds into the Charity's accounts with the benefit of Gift Aid. The Charity reclaims basic rate tax on donations on behalf of their clients. Individual accounts in the donors' names are created and the reclaimed tax is added to this account, funds being available for distribution to charities on the donors' instructions. Accounts can be funded by gifts of shares or land as well as the more usual monetary methods. The Charity also administers a Payroll Giving scheme on behalf of clients and companies. Donations requested by clients to individual charities are made directly to them on a weekly basis.

The main objectives for the year were to introduce updated online systems, whilst maintaining the existing high quality of service delivery and to increase the numbers using the services we provide.

The strategy for achieving these objectives is by maintaining a fully functional user-friendly online facility, strong PR and good relations with all existing clients.

### **ACHIEVEMENT AND PERFORMANCE**

KKL Charity Accounts and its predecessors have existed for over fifty years. Now, under its current trading name of SmartGiving, it has a high reputation within the Jewish community. Its wide variety of clients make donations to many charities, mainly registered in the UK. A major reason that clients use SmartGiving is to reduce the personal burden of dealing with tax reclaims. Other services offered to individuals include setting up fundraising pages and payroll giving. SmartGiving also offers similar services to companies and trusts.

The Charity aims to improve efficiency in all areas. Major targets are:

- To make payments to charities within five days of the receipt of instructions. This is currently being achieved in all but exceptional cases.
- To claim gift aid tax relief within five working days of receiving the client's donation. Again, this is currently being achieved in all but exceptional cases.
- To keep clients and charities well informed. Statements of account are sent to charities and clients at regular intervals. Clients are also notified by newsletter of any changes affecting their accounts.
- To utilise technology more effectively. Currently many transactions are paper and/or telephone based – an upgrading of the charity's online platform in 2020 will improve services offered to both clients and recipient charities.

### **FINANCIAL REVIEW**

The Statement of Financial Activities (SOFA), set out on page 11, is designed to reflect all incoming resources receivable in the year irrespective of when income is spent.

In 2020 the charity received donations from clients of £8,446,415 (2019: £7,305,884) and processed donations of £7,957,145 (2019: £7,802,303) to charitable organisations from individual, corporate and trust accounts and through payroll giving.

The total value of client trust funds held was £6,609,225 at 31 December 2020 (2019: £6,119,955).

In previous years, the charity started to use its free reserves to make educational grants to UK primary and secondary schools. During 2020, it expended a net £313,409 (2019: £283,784) on this programme, of which £249,978 (2019: £264,000) were direct grants to the schools. As a result of these costs the charity made an operational loss. The operational surplus before these costs was £88,574 (2019: £98,780).

## **FREE RESERVES**

It is the policy of the Trustees for the Charity to hold reserves against its obligations; the Trustees believe that a reserve equivalent to not less than four months' operational expenditure should be held. Free reserves were £ 50,875 at 31 December 2020 (2019: £275,710), which is in accordance with the stated policy.

## **PLANS FOR FUTURE YEARS**

The Trustees believe that the Charity has a sound financial basis upon which to build for the future. It continues to develop its existing services further. In 2020, the Charity has embarked on further improvements to its systems and website with the aim of reducing processes and improving customer service by reducing response times and improving customer information. The aim is to (a) expand the client base (b) improve clients' accessibility to their accounts (c) increase the use of fundraising platforms for individuals to raise funds for charitable causes and (d) increase the number of companies and individuals using payroll giving as a tax efficient method of making charitable donations.

The Trustees will continue to use its free reserves to make educational grants of at least £300,000 per annum for the next three years to UK primary and secondary schools.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the of the charitable company of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In determining how amounts are presented within items in the Statement of Financial Activities and the Balance Sheet, the trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

## **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Nyman Libson Paul LLP be re-appointed as auditors will be put to a General Meeting.

This report was approved by the Board on 27 September 2021.

A handwritten signature in black ink, appearing to be 'GM' or similar initials, written in a cursive style.

Gary Mond, Chairman

# KKL Charity Accounts

## Independent Auditors Report to the Members of KKL Charity Accounts

### Opinion

We have audited the financial statements of KKL Charity Accounts (the 'Company') for the year ended 31 December 2020, which comprise the statement of financial activities, the balance sheet, the statement of changes in equity and the related notes, 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 Company's affairs as at 31 December 2020 and of its profit 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 Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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 Trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees, who are also directors of the Company for the purposes of company law, are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.



The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement on page 6, 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 directors 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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 Auditors' 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,

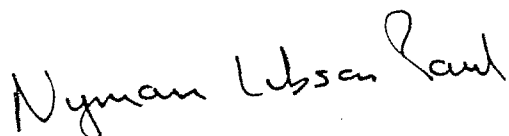
they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and the Charities Act 2011. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, reading minutes of meetings of those charged with governance, enquiries with management and review of accounting estimates. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**JENNIFER POPE FCA**

**Senior Statutory Auditor**

Nyman Libson Paul LLP

Chartered Accountants and Statutory Auditors

124 Finchley Road

London NW3 5JS

Date: 27 September 2021

# KKL Charity Accounts

## Statement of Financial Activities for the Year Ended 31 December 2020

	Notes	2020			2019		
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>INCOME</b>							
Income resources from generated funds							
Investment income	2	27,878	-	27,878	63,879	-	63,879
Government grant from CIRS	3	31,075		31,075			
Incoming resources from charitable activities	3	265,461	8,446,415	8,711,876	320,575	7,305,884	7,626,459
<b>Total income</b>		<b>324,414</b>	<b>8,446,415</b>	<b>8,770,829</b>	<b>384,454</b>	<b>7,305,884</b>	<b>7,690,338</b>
<b>EXPENDITURE</b>							
Costs of generating funds							
Fundraising and promotion	4	11,968	-	11,968	16,720	-	16,720
Charitable activities							
Charitable activities costs	5 & 6	531,581	7,957,145	8,488,726	547,063	7,802,303	8,349,366
Governance costs		5,700		5,700	5,675	-	5,675
<b>Total expenditure</b>		<b>549,249</b>	<b>7,957,145</b>	<b>8,506,394</b>	<b>569,458</b>	<b>7,802,303</b>	<b>8,371,761</b>
<b>NET INCOMING RESOURCES</b>		<b>(224,835)</b>	<b>489,270</b>	<b>264,435</b>	<b>(185,004)</b>	<b>(496,419)</b>	<b>(681,423)</b>
Other recognised gains/losses							
Profit on investment assets		-	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(224,835)</b>	<b>489,270</b>	<b>264,435</b>	<b>(185,004)</b>	<b>(496,419)</b>	<b>(681,423)</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		275,710	6,119,955	6,395,665	460,714	6,616,374	7,077,088
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>50,875</b>	<b>6,609,225</b>	<b>6,660,100</b>	<b>275,710</b>	<b>6,119,955</b>	<b>6,395,665</b>

All the above incoming resources and resources expended were generated from continuing operations.

The notes on pages 14 to 22 form part of these financial statements

# KKL Charity Accounts

## Balance Sheet

**31 December 2020**

Registered Company Number: 05118360

Registered Charity Number: 1105998

	Notes	2020 Total Funds £	2019 Total Funds £
<b>FIXED ASSETS</b>	11	51,875	-
<b>CURRENT ASSETS</b>			
Debtors falling due within one year	12	69,840	76,260
Cash at bank		7,412,939	7,079,239
		<u>7,482,779</u>	<u>7,155,499</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(874,554)	(759,834)
<b>NET CURRENT ASSETS</b>		<u>6,608,225</u>	<u>6,395,665</u>
<b>TOTAL ASSETS</b>		<u><b>6,660,100</b></u>	<u><b>6,395,665</b></u>
<b>FUNDS OF THE CHARITY</b>	15,16		
Unrestricted funds – General Fund		50,875	275,710
Restricted funds – Client Funds		6,609,225	6,119,955
<b>TOTAL CHARITY FUNDS</b>		<u><b>6,660,100</b></u>	<u><b>6,395,665</b></u>

The financial statements were approved and authorised by the Board of Trustees on 27 September 2021 and were signed on its behalf by:



Gary Mond, Chairman

The notes on pages 14 to 22 form part of these financial statements.

## KKL Charity Accounts

### Cash Flow for the year ended 31 December 2020

	2020 £	2019 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the year, as per the Statement of Financial Activities	264,435	(681,423)
Adjustment for:		
Increase/(Decrease) in creditors	114,720	176,405
(Increase)/Decrease in debtors	6,420	16,721
Acquisition of tangible assets	(51,875)	-
	<hr/> 333,700	<hr/> (488,297)
Cash and Cash Equivalents at the beginning of the reporting period	7,079,239	7,567,536
<b>Cash and Cash Equivalents at the end of the reporting period</b>	<hr/> <b>7,412,939</b>	<hr/> <b>7,079,239</b>

The notes on pages 14 to 22 form part of these financial statements.

# KKL Charity Accounts

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 1. ACCOUNTING POLICIES

#### a. Accounting convention

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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

KKL Charity Accounts Limited 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.

The reporting currency is GBP and all amounts are rounded to the nearest £.

#### b. Company status

The charitable company is a company limited by guarantee registered in England and Wales. Its registered office address is Mountcliff House, 154 Brent Street, London NW4 2BF. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

The principal activity of the charitable company continued to be that of providing services to achieve its mission of increasing the funds of charities and non-profit organisations and helping donors make the most of their giving and charities make the most of their resources.

#### c. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

#### d. Income

Donations are accounted for when received or notified. Income from shares is accounted for on a received basis. Other interest receivable and similar income is accounted for on a receivable basis. Government grants received are from the Coronavirus Job Retention Scheme ("CJRS"). Income from government grants is credited to the statement of financial activities as the related expenditure is incurred.

# KKL Charity Accounts

## Notes to the Financial Statements for the Year Ended 31 December 2020 - continued

### e. Capitalisation and depreciation of tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives.

Rates of depreciation:

- Computer Equipment - 33 1/3% of the net book value.

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

### f. Expenditure

Expenditure is accounted for on an accruals basis.

Remittances to charities includes all funds remitted to UK charities in direct pursuit of the Company's charitable objectives.

Support Costs - expenditure incurred in providing administrative and financial services in support of the charitable expenditure above. Support costs are generally allocated over charitable expenditure headings.

Governance costs - costs that are incurred in compliance with constitutional, legal and statutory requirements relating to the running of the charity.

Payments to defined contributions pension schemes are written off as incurred.

Irrecoverable VAT is included under the relevant expense headings.

### g. Investments

Investments are valued at market value at the balance sheet date. Realised gains and losses on investments are calculated by comparing the sale proceeds with the market value at the end of the previous financial year.

### h. Taxation

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

### i. Cash flow

The charitable company has taken advantage of the exemption from the requirement of producing a cash flow statement on the basis that it is a qualifying entity as defined by FRS 102 and totally controlled by the JNF Charitable Trust which produces consolidated financial statements which include a cash flow statement.

### j. Debtors

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

# KKL Charity Accounts

## Notes to the Financial Statements for the Year Ended 31 December 2020 - continued

**k. Cash at bank and in hand**

Cash at bank and 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.

**l. Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**m. Financial instruments**

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**n. Pensions**

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the Statement of financial activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

**o. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During the year, there were no judgments in applying accounting policies and key sources of estimation uncertainty which materially affected the financial statements.



# KKL Charity Accounts

## Notes to the Financial Statements for the Year Ended 31 December 2020 - continued

### 2. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	<u>27,878</u>	<u>63,879</u>

### 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Fees	234,536		234,536	242,508
Contributions to Educational Grants Programme	30,925	-	30,925	78,067
Government grant from CJRS	31,075		31,075	-
Tax efficient giving from donors – gift aided donations	-	8,446,415	8,446,415	7,305,884
	<u>296,536</u>	<u>8,446,415</u>	<u>8,742,951</u>	<u>7,626,459</u>

### 4. FUNDRAISING AND PROMOTION

	2020 £	2019 £
Staff costs	-	-
Advertising	11,968	16,720
	<u>11,968</u>	<u>16,720</u>

During the year to 31 December 2020 no staff were allocated to this role (2019: nil).

# KKL Charity Accounts

## Notes to the Financial Statements for the Year Ended 31 December 2020 – continued

### 5. CHARITABLE ACTIVITIES COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations to UK and other charities	-	7,957,145	7,957,145	7,802,303
Educational Grants Programme – staff costs	60,516	-	60,516	59,027
Educational Grants Programme – non-staff costs	33,840	-	33,840	38,824
Educational Grants Programme – grants to schools	249,978	-	249,978	264,000
	344,334	-	344,334	361,851
Support costs	187,247	-	187,247	185,212
	<b>531,581</b>	<b>7,957,145</b>	<b>8,488,726</b>	<b>8,349,366</b>

During the year to 31 December 2020 three members of staff were allocated part-time to the Education Grants Programme (2019: three).

### 6. SUPPORT COSTS

An analysis of the major support costs in Note 5 is as follows:

	2020 £	2019 £
Staff costs	146,704	139,469
Other administration costs	40,543	45,743
	<b>187,247</b>	<b>185,212</b>

### 7. NET INCOMING RESOURCES

Net Incoming Resources are stated after charging:

	2020 £	2019 £
Depreciation	-	-
Auditors' remuneration	5,700	5,649

### 8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the years ended 31 December 2020 and 31 December 2019.

There were no trustees' expenses paid for the years ended 31 December 2020 and 31 December 2019.

## KKL Charity Accounts

### Notes to the Financial Statements for the Year Ended 31 December 2020 – continued

#### 9. STAFF COSTS

	2020	2019
	£	£
Salaries	182,624	174,414
Social security costs	17,535	17,429
Pension costs	7,061	6,653
	<b>207,220</b>	<b>198,496</b>

The above costs are split as follows:

	2020	2019
	£	£
Educational Grants Programme	60,516	59,027
Support Costs	146,704	139,469
	<b>207,220</b>	<b>198,496</b>

Full time equivalent number of employees	3	3
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No employees' emoluments exceeded £60,000 in the year (2019: None). Key management is represented by the trustees who do not receive any remuneration.

#### 10. PAYMENT TO CHARITIES

Payments to charities represent payment from KKL Charity Accounts through individual and corporate KKL Charity sub-accounts. Details of these payments are not disclosed as they are made in accordance with specific restrictions imposed by the donors and are not necessarily representative of the charitable company's own grant making policies.

# KKL Charity Accounts

## Notes to the Financial Statements for the Year Ended 31 December 2020 - continued

### 11. FIXED ASSETS

	Computer Systems £
<b>COST</b>	
Additions during the year	<u>51,875</u>
<b>DEPRECIATION</b>	
At 1 January 2020 and 31 December 2020	<u>0</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>51,875</u>
At 31 December 2019	<u>-</u>

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Amounts owed by associated undertakings	40,114	21,988
Other debtors	29,726	54,272
	<u>69,840</u>	<u>76,260</u>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors and accruals	227,691	286,593
Amounts owed to associated undertakings	646,863	473,241
	<u>874,554</u>	<u>759,834</u>

# KKL Charity Accounts

## Notes to the Financial Statements for the Year Ended 31 December 2020 - continued

### 14. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets measured at fair value through income and expenditure	7,482,779	7,155,499
Financial liabilities measured at fair value through income and expenditure	874,554	759,834

Financial assets measured at fair value through income and expenditure comprise current asset investments, bank balances and debtors.

Financial liabilities measured at fair value through income and expenditure comprise creditors.

### 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Fixed assets	51,875	-	51,875	-
Current assets	821,638	6,661,148	7,482,779	7,155,499
Current liabilities	(822,638)	(51,916)	(874,554)	(759,834)
	<b>50,875</b>	<b>6,609,225</b>	<b>6,660,100</b>	<b>6,395,665</b>

### 16. MOVEMENT IN FUNDS

	2019 £	Movement in Funds £	2020 £
Unrestricted funds – General Fund	275,710	(224,835)	50,875
Restricted funds – Client Funds	6,119,955	489,270	6,609,225
<b>Total Funds</b>	<b>6,395,665</b>	<b>264,435</b>	<b>6,660,100</b>

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

	Incoming resources £	Resources expended £	Movement in Funds £
Unrestricted funds – General Fund	293,339	(518,174)	(224,835)
Restricted funds – Client Funds	8,446,415	(7,957,145)	489,270
<b>Total Funds</b>	<b>8,739,754</b>	<b>(8,475,319)</b>	<b>264,435</b>

### 17. RESTRICTED FUNDS

The Restricted Funds of KKL Charity Accounts comprises the total of the individual balances held in its system for the benefit of individual donors. The funds held in these accounts can only be distributed on the instructions of those individual donors and, therefore, are classified as Restricted Funds.

## **KKL Charity Accounts**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 - continued**

#### **18. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year (2019: £ Nil).

#### **19. PARENT COMPANY**

The charitable company is controlled by, and deemed to be part of, JNF Charitable Trust, a charitable company incorporated in the United Kingdom and registered in England and Wales (Company Number 355248 and Charity Number 225910), whose consolidated accounts can be obtained from Mountcliff House, 154 Brent Street, London NW4 2BF. The charity is controlled by JNF Charitable Trust as the majority of the Board members of KKL Charity Accounts are members of the Board of JNF Charitable Trust.

The company has taken advantage from the exemption to disclose transactions with group entities on the basis that consolidated financial statements are prepared by the parent company.