

CHARITY REGISTRATION NUMBER: 1134987

UK Friends of Ahavas Chesed
Unaudited Financial Statements
31 March 2023

HAFFNER HOFF LTD

Accountants
2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

UK Friends of Ahavas Chesed

Financial Statements

Year ended 31 March 2023

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UK Friends of Ahavas Chesed

Trustees' Annual Report

Year ended 31 March 2023

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

Reference and administrative details

Registered charity name	UK Friends of Ahavas Chesed
Charity registration number	1134987
Principal office	51 Lea View House Springfield London E5 9DY

The trustees

B Dresdner
M Meirovitz
M Linshe

Independent examiner	Mr Howard Schwalbe ACA 2nd Floor - Parkgates Bury New Road Prestwich Manchester M25 0TL
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Structure, governance and management

The trustees have pleasure in presenting their report and the financial statements of the charity for the period ended 31st March 2022. Trustees

The Trustees in office throughout the period were Mr Berish Dresdner, Mr Moshe Meirovits and Mr Moshe Linshe. No trustee received any remuneration during the period.

Legal Status

The Charity is constituted by a trust deed dated 1st February 2010, which has not been amended and is a Registered Charity, number 1134987.

Objectives and activities

The Charity's objects are:

1. To promote general charitable purposes primarily but not exclusively for the benefit of people of Israel and in particular but not exclusively individuals of the Jewish faith and to provide relief from financial hardship and social and / or economic disadvantage. 2. To promote any other exclusively charitable objects and purposes as the trustees see fit, provided that they are regarded as charitable by the laws of England and Wales

UK Friends of Ahavas Chesed

Trustees' Annual Report *(continued)*

Year ended 31 March 2023

Achievements and performance

The charity received £635,685 in donations, as well as bank interest receivable of £12 during the year.

The charity had grants payable during the year amounting to £602,006. Support costs relating to the operations of the charity were £29,713, included in that figure was fees payable for the Independent examination amounting to £840. trustees. Beneficiaries are known to the trustees and who are experiencing financial hardship. Goods purchased this year were all distributed by the year end.

The charity has low governance costs comprising professional fees.

Grants over £5,000 made during the year to institutions are as detailed in the accounts.

There were no material fundraising costs during the year.

Related party transactions are disclosed as applicable in the notes to the accounts.

There was a net expenditure and net movement in funds for the year amounting to £22,132.

Financial review

Reserves policy

The Unrestricted Fund represents the unrestricted funds arising from past operating results.

The Trustees are satisfied that the balance of the Fund is an acceptable level of reserves given the nature of revenue receipts against grants payable.

In considering the limited financial obligations of the charity, the trustees have resolved to maintain a minimum reserve roughly equal to the net current assets of the charity.

The trustees are delighted to have made many valuable contributions to the community as a result of this income and hope to be able to do so for many years to come.

The free reserves stand at £108,168, being the net current assets of the charity, all of which are unrestricted.

The trustees' annual report was approved on 22 February 2024 and signed on behalf of the board of trustees by:

M Meirovitz
Trustee

UK Friends of Ahavas Chesed

Independent Examiner's Report to the Trustees of UK Friends of Ahavas Chesed

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of UK Friends of Ahavas Chesed ('the charity') for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

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

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr Howard Schwalbe ACA

Independent Examiner

2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

22 February 2024

UK Friends of Ahavas Chesed

Statement of Financial Activities

Year ended 31 March 2023

		2023		2022
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
Income and endowments				
Donations and legacies	4	635,685	635,685	521,647
Investment income	5	12	12	–
Total income		<u>635,697</u>	<u>635,697</u>	<u>521,647</u>
Expenditure				
Expenditure on raising funds:				
Costs of other trading activities	6	22,456	22,456	3,621
Expenditure on charitable activities	7,8	635,373	635,373	570,008
Total expenditure		<u>657,829</u>	<u>657,829</u>	<u>573,629</u>
Net expenditure and net movement in funds		<u>(22,132)</u>	<u>(22,132)</u>	<u>(51,982)</u>
Reconciliation of funds				
Total funds brought forward		130,300	130,300	182,282
Total funds carried forward		<u>108,168</u>	<u>108,168</u>	<u>130,300</u>

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

The notes on pages 7 to 13 form part of these financial statements.

UK Friends of Ahavas Chessed

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Current assets			
Debtors	14	89,502	–
Cash at bank and in hand		35,927	141,603
		<u>125,429</u>	<u>141,603</u>
Creditors: amounts falling due within one year	15	17,261	11,303
Net current assets		<u>108,168</u>	<u>130,300</u>
Total assets less current liabilities		<u>108,168</u>	<u>130,300</u>
Net assets		<u><u>108,168</u></u>	<u><u>130,300</u></u>
Funds of the charity			
Unrestricted funds		108,168	130,300
Total charity funds	16	<u><u>108,168</u></u>	<u><u>130,300</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 22 February 2024, and are signed on behalf of the board by:

M Meirovitz
Trustee

The notes on pages 7 to 13 form part of these financial statements.

UK Friends of Ahavas Chesed

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net expenditure	(22,132)	(51,982)
<i>Adjustments for:</i>		
Other interest receivable and similar income	(12)	–
Accrued expenses	254	1,810
<i>Changes in:</i>		
Trade and other debtors	(89,502)	–
Trade and other creditors	5,704	9,493
Cash generated from operations	(105,688)	(40,679)
Interest received	12	–
Net cash used in operating activities	<u>(105,676)</u>	<u>(40,679)</u>
Net decrease in cash and cash equivalents	(105,676)	(40,679)
Cash and cash equivalents at beginning of year	141,603	–
Cash and cash equivalents at end of year	<u>35,927</u>	<u>(40,679)</u>

The notes on pages 7 to 13 form part of these financial statements.

UK Friends of Ahavas Chesed

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 51 Lea View House, Springfield, London, E5 9DY.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

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

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

Going concern

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

Judgements and key sources of estimation uncertainty

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported at the year end.

Fund accounting

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

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

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

UK Friends of Ahavas Chesed

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Incoming resources

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

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

Resources expended

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

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

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

Financial instruments

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

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

UK Friends of Ahavas Chessed

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

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

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

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

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations	635,685	635,685	521,647	521,647

5. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	12	12	—	—

UK Friends of Ahavas Chesed

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

6. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising Expenses	<u>22,456</u>	<u>22,456</u>	<u>3,621</u>	<u>3,621</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Charitable Grants	605,660	605,660	564,241	564,241
Support costs	<u>29,713</u>	<u>29,713</u>	<u>5,767</u>	<u>5,767</u>
	<u>635,373</u>	<u>635,373</u>	<u>570,008</u>	<u>570,008</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Charitable Grants	3,654	602,006	28,873	634,533	569,168
Governance costs	<u>—</u>	<u>—</u>	<u>840</u>	<u>840</u>	<u>840</u>
	<u>3,654</u>	<u>602,006</u>	<u>29,713</u>	<u>635,373</u>	<u>570,008</u>

9. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2023 £	Total 2022 £
General office	28,873	28,873	4,927
Governance costs	<u>840</u>	<u>840</u>	<u>840</u>
	<u>29,713</u>	<u>29,713</u>	<u>5,767</u>

UK Friends of Ahavas Chesed

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Analysis of grants

	2023 £	2022 £
Grants to institutions		
Ahavas Chesed Israel	378,745	330,860
Birkas Yosef	8,471	–
Grants under £5,000	7,860	3,000
Keren Chochmas Shlomo	35,000	–
Mars Org Ltd	–	7,580
Mercaz Torah	5,000	–
Michlol	65,090	35,660
Mishavim	26,060	–
Rav Chesed	5,000	–
Shir Chesed Beis Yisroel	10,000	–
SMD Foundation	5,970	9,950
	<u>547,196</u>	<u>387,050</u>
Grants to individuals		
Grants to individuals	54,810	–
Total grants	<u>602,006</u>	<u>387,050</u>

11. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>840</u>	<u>840</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	<u>19,332</u>	<u>–</u>

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

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

13. Trustee remuneration and expenses

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

14. Debtors

	2023 £	2022 £
Other debtors	<u>89,502</u>	<u>–</u>

UK Friends of Ahavas Chesed

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	2,064	1,810
Other creditors	15,197	9,493
	<u>17,261</u>	<u>11,303</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
General funds	<u>130,300</u>	<u>635,697</u>	<u>(657,829)</u>	<u>108,168</u>

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
General funds	<u>182,282</u>	<u>521,647</u>	<u>(573,629)</u>	<u>130,300</u>

17. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Current assets	125,429	125,429
Creditors less than 1 year	(17,261)	(17,261)
Net assets	<u>108,168</u>	<u>108,168</u>

	Unrestricted Funds £	Total Funds 2022 £
Current assets	141,603	141,603
Creditors less than 1 year	(11,303)	(11,303)
Net assets	<u>130,300</u>	<u>130,300</u>

18. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	<u>141,603</u>	<u>(105,676)</u>	<u>35,927</u>

UK Friends of Ahavas Chesed

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Related parties

Mr M Meirovitz, a trustee of the charity, is also the director of Fleexco Ltd and Grand Deals Ltd.

During the year, Fleexco Ltd borrowed £15,500 on an interest free basis. The balance outstanding at the year end is £15,500.

During the year, Grand Deals Ltd borrowed £10,571 on an interest free basis. The balance outstanding at the year end is £10,571.

Mr Meirovitz borrowed a further £50,000 on an interest free basis, of which £49,700 is outstanding at the year end.

Mr Meirovitz has agreed to repay these sums back within three months of finalising these accounts and will not continue to borrow money from the charity in the future.

20. Taxation

Uk Friends Of Ahavas Chesed is a registered charity and therefore is not liable to income tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.