

REGISTERED COMPANY NUMBER: 09797190 (England and Wales)
REGISTERED CHARITY NUMBER: 1169789

Report of the Trustees and
Financial Statements
FOR THE YEAR ENDED
30 September 2023
for
THE VELVET FOUNDATION

Melinek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

THE VELVET FOUNDATION
Contents of the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Page
Report of the Trustees	1 to 3
Report of the Independent Auditors	4 to 6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11 to 14

**Report of the Trustees
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are specifically restricted to provide public benefit in the following manner:-

General charitable purposes:

To advance such charitable purposes (according to the law of England and Wales) for the public benefit whether by making grants or otherwise as the trustees see fit from time to time anywhere in the world in particular but not limited to the following:

Prevention or relief of poverty and financial hardship:

The prevention or relief of poverty by providing: grants, items, facilities and services to individuals in need and to charities, or other organisations working to prevent or relieve poverty.

The prevention or relief of poverty or financial hardship by providing or assisting in the provision of education, training, healthcare projects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient.

Relief of sickness:

To assist in the treatment and care of persons suffering from mental or physical illness of any description or in need of rehabilitation as a result of such illness, by the provision of facilities for work and recreation.

The relief of sickness and the preservation of health by making grants and providing items, facilities and services, for medical research.

Advancement of education:

To advance the education of the public in general in the subject of the Jewish religion by making grants to institutions promoting knowledge and education of the Jewish religion.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grantmaking policy.

Grantmaking

Grants are made to charitable institutions, organisations and individuals after it has been satisfied that payments will accord with the objectives of the charity.

Volunteers

There were no volunteers during the year.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The charity has had a successful year, raising £2,188,558 (2022: £123,050) in donations, and making grants totalling £778,272 (2022: £1,048,726) to charitable organisations and needy individuals.

During the year the charity purchased an investment property for £1,401,778, of which £1,200,000 was paid directly by one of the charity's donors. This amount is included within donations.

**Report of the Trustees
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

STRATEGIC REPORT

Financial review

Principal funding sources

The principal funding sources are donations from limited companies.

Reserves policy

The charity aims to maintain reserves in order that it is in a position to achieve grant making activities at a consistent level and to cover contingencies of additional calls being made upon the charity for support of organisations, institutions or individuals in times of need.

Future plans

The trustees plan to continue to pursue the charitable objectives of the charity and ensure that the ability to generate sufficient income is maintained to achieve that end.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The directors may appoint a person who is willing to act to be a director. Membership is open to any individual who applies to the charity in the form required by the directors and is approved by the directors. Membership is not transferable.

Organisational structure

The charity must have a minimum of 2 directors. The directors meet regularly to manage the business of the charity.

Risk management

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09797190 (England and Wales)

Registered Charity number

1169789

Registered office

First Floor, Winston House
349 Regents Park Road
London
N3 1DH

Trustees

Mr M A Aaronson
Mr C C Cheah
Mr D H Rodney

Company Secretary

Mr D H Rodney

Auditors

Melinek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

Report of the Trustees
FOR THE YEAR ENDED 30 SEPTEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Velvet Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

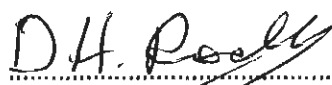
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Melinek Fine LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 July 2024 and signed on the board's behalf by:


.....
Mr D H Rodney Trustee

**Report of the Independent Auditors to the Members of
The Velvet Foundation (Registered number: 09797190)**

Opinion

We have audited the financial statements of The Velvet Foundation (the 'charitable company') for the year ended 30 September 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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 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 are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the Charity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of trustees minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
The Velvet Foundation (Registered number: 09797190)**

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. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Daniel Fine, FCA (Senior Statutory Auditor)
for and on behalf of Melinek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

Date: 17/7/2024

THE VELVET FOUNDATION

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

		2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	2,188,558	123,050
Investment income	3	<u>209</u>	<u>105</u>
Total		<u>2,188,767</u>	<u>123,155</u>
EXPENDITURE ON			
Charitable activities	4		
The advancement of education		609,489	748,164
Relief of poverty		41,496	85,859
The advancement of health		127,287	214,703
Other charitable activities		<u>24,064</u>	<u>17,634</u>
Total		<u>802,336</u>	<u>1,066,360</u>
NET INCOME/(EXPENDITURE)		1,386,431	(943,205)
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>(219,711)</u>	<u>723,494</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,166,720</u></u>	<u><u>(219,711)</u></u>

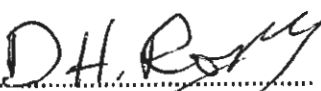
The notes form part of these financial statements

THE VELVET FOUNDATION (REGISTERED NUMBER: 09797190)

**Balance Sheet
30 SEPTEMBER 2023**

	Notes	2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS			
Investment property	9	1,401,778	-
CURRENT ASSETS			
Debtors	10	39,707	17,246
Cash at bank		<u>54,919</u>	<u>166,176</u>
		94,626	183,422
CREDITORS			
Amounts falling due within one year	11	(329,684)	(403,133)
NET CURRENT ASSETS/(LIABILITIES)		<u>(235,058)</u>	<u>(219,711)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,166,720	(219,711)
NET ASSETS/(LIABILITIES)		<u>1,166,720</u>	<u>(219,711)</u>
FUNDS			
Unrestricted funds		<u>1,166,720</u>	<u>(219,711)</u>
TOTAL FUNDS		<u>1,166,720</u>	<u>(219,711)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17 July 2024 and were signed on its behalf by:



 Mr D H Rodney - Trustee

THE VELVET FOUNDATION

Cash Flow Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>90,312</u>	<u>(539,636)</u>
Net cash provided by/(used in) operating activities		<u>90,312</u>	<u>(539,636)</u>
Cash flows from investing activities			
Purchase of investment property		(201,778)	-
Interest received		<u>209</u>	<u>105</u>
Net cash (used in)/provided by investing activities		<u>(201,569)</u>	<u>105</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(111,257)	(539,531)
Cash and cash equivalents at the beginning of the reporting period		<u>166,176</u>	<u>705,707</u>
Cash and cash equivalents at the end of the reporting period		<u>54,919</u>	<u>166,176</u>

The notes form part of these financial statements

THE VELVET FOUNDATION
Notes to the Cash Flow Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	1,386,431	(943,205)
Adjustments for:		
Interest received	(209)	(105)
Purchase of property funded by donor	(1,200,000)	-
(Increase)/decrease in debtors	(22,461)	62,988
(Decrease)/increase in creditors	<u>(73,449)</u>	<u>340,686</u>
Net cash provided by/(used in) operations	<u>90,312</u>	<u>(539,636)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.22 £	Cash flow £	At 30.9.23 £
Net cash			
Cash at bank	<u>166,176</u>	<u>(111,257)</u>	<u>54,919</u>
	<u>166,176</u>	<u>(111,257)</u>	<u>54,919</u>
Total	<u>166,176</u>	<u>(111,257)</u>	<u>54,919</u>

THE VELVET FOUNDATION
Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

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

Fund accounting

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

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

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

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	<u>2,188,558</u>	<u>123,050</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>209</u>	<u>105</u>

THE VELVET FOUNDATION

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5) £	Support costs (see note 6) £	Totals £
The advancement of education	609,489	-	609,489
Relief of poverty	41,496	-	41,496
The advancement of health	127,287	-	127,287
Other charitable activities	-	24,064	24,064
	<u>778,272</u>	<u>24,064</u>	<u>802,336</u>

5. GRANTS PAYABLE

	2023 £	2022 £
The advancement of education	609,489	748,164
Relief of poverty	41,496	85,859
The advancement of health	<u>127,287</u>	<u>214,703</u>
	<u>778,272</u>	<u>1,048,726</u>

The total grants paid to institutions during the year was £775,026 (2022: £998,857). A summary of grants made to institutions during the year is as follows:

Name of institution	Amount (£)
Netivei Itzhak	174,121
Ahavot Shalom	79,535
The Norrice Lea Charitable Settlement	50,000
Alzheimer's Medical Center	49,312
Achisomoch Aid Company Limited	48,000
Enhance Reviews	40,375
Kinyan Hatorah UK	28,000
Mercaz Hatorah Netzach Yisroel	25,800
The Institute for Higher Rabbinical Studies	25,000
Yeshaya Adler Memorial Fund	22,900
Beis Hamedrash Nishmas Yisroel Limited	18,000
Jnetics	18,000
EM Shasha Foundation Limited	18,000
Realmstates Ltd	17,500
Camp Simcha	12,500
Friends of Yeshiva Bircas Mordechai	11,800
Other	136,183
Total	775,026

THE VELVET FOUNDATION
Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Other charitable activities	<u>2,962</u>	<u>2,275</u>	<u>18,827</u>	<u>24,064</u>

7. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	5,100	-
Auditors' remuneration for non audit work	<u>4,500</u>	<u>4,200</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2023 nor for the year ended 30 September 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2023 nor for the year ended 30 September 2022.

9. INVESTMENT PROPERTY

	£
FAIR VALUE	
Additions	<u>1,401,778</u>
At 30 September 2023	<u>1,401,778</u>
NET BOOK VALUE	
At 30 September 2023	<u>1,401,778</u>
At 30 September 2022	<u>-</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	<u>39,707</u>	<u>17,246</u>

THE VELVET FOUNDATION
Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other creditors	250,000	250,000
Accruals and deferred income	<u>79,684</u>	<u>153,133</u>
	<u><u>329,684</u></u>	<u><u>403,133</u></u>

12. RELATED PARTY DISCLOSURES

The entire Donations and Grants Received comprising £2,188,558 (2022: £123,050) was from companies and organisations controlled by the trustees of The Velvet Foundation.

13. FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset or settle the liability simultaneously.

14. COMPANY LIMITED BY GUARANTEE

The charity company is limited by guarantee and does not have share capital. The articles of association of the company preclude the distribution of assets to the members of the company and accordingly a reconciliation of shareholders' funds is inappropriate. The liability of each member in the event of a winding up is limited to £10.