Charity registration number: 1192462

Impact Lebanon Charity

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Smartax Limited
Chartered Certified Accountants and Statutory Auditors
38 Station Road
Harrow
Middlesex
HA2 7SE

Impact Lebanon Charity

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Impact Lebanon Charity

Reference and Administrative Details

Trustees	G Zouein Ms D El-Kadi E Gresh F Habib
Charity Registration Number	1192462
Principal Office	86-90 Paul Street London EC2A 4NE
Independent Examiner	Smartax Limited Chartered Certified Accountants and Statutory Auditors 38 Station Road Harrow Middlesex HA2 7SE

Impact Lebanon Charity

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2022.

Objectives and activities

Objects and aims

The objects of the charity are:

1) The relief of poverty in Lebanon by:
a. providing grants and support to individuals in need and/or charities, or other organisations working to prevent or relieve poverty; and
b. 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.

2) To promote sustainable development for the benefit of the public by:
a. the preservation, conservation and the protection of the environment and the prudent use of natural resources; and
b. the promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Public benefit

The charities activies are focused on relieving poverty and providing education in Lebananon as well as promoting sustainable development for the benefit of the public at large.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

During the period, the charity continued to focus on fundraising to meet its objectives, particularly to support the education of Lebanese (holders of a Lebanese nationality or students with at least one parent or two grandparents who have Lebanese nationality).

Education is vital in nurturing critical thinking, providing a sustainable source of income, increasing social mobility, and is a key building block of a more inclusive society. In addition, over the last 3 years, Lebanon has suffered from political unrest, a significant increase in unemployment (more than 40%), poverty rates (in excess of 55%), inflation (in excess of 280%), cost of living, security issues and disruption of the supply of critical materials, such as medical supplies. The Beirut port explosion on August 4th, 2020 and the Coronavirus crisis have exacerbated these issues. As a result, the education sector is significantly suffering, with students not being able to pay their tuition fees and universities struggling to keep their doors open.

Financial review

The statement of financial activities shows net income of £75,649 (2022 - £2,579) for the period. Total funds as at 31 December 2022 stood at £78,228 (2021 - £2,579). The trustees consider the state of the charity's affairs to be satisfactory.

Policy on reserves

The charitiy's objective is to disburse 50% of the fundraising proceeds to Lebanese students. The charity will initially focus on scholarships for Lebanese undergraduate students in the top three Lebanese universities (American University of Beirut, Université Saint-Joseph, Lebanese American University).

The balance of approximately 50% of the fundraising proceeds will be used to establish an endowment. An endowment is an aggregation of the funds received through donations. The endowment funds are invested over multiple generations. Hence unlike a donation that is expended upon receipt, an endowed donation keeps on giving over time. Endowed donations help enable future generations of students to benefit from a higher quality of education. The endowment will be invested in a mix of assets including but not limited to public equities, government bonds, commodities and real estate investment trusts.

Plans for future periods

Aims and key objectives for future periods

Over the next year, the charity will focus on making its intial grants to students and carry out endowment contributions from the proceeds raised. It will continue to look at expanding their fundraising activities.

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, a constitution, and constitutes a charitable incorporated organisation under the Charities Act 2011.

Recruitment and appointment of trustees

Trustees are selected based on:

- Their knowledge of the existing Lebanon context including economical and financial crisis
- Their experience in as trustees of other charities
- Their experience in the education field (including being a trustee of a charity focused on education)
- Their willingness to dedicate time and resources to Impact Lebanon Charity

In addition the trustees must be the eligibility criteria within the charity's constitution.

There must be at least two charity trustees with no limit to the maximum number of trustees the charity can appoint.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 incoming resources and application of resources 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 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 keeping proper accounting records that 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 corporate and financial information included on the charitable company's website (www.impactlebanoncharity.org). Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 9 August 2023 and signed on its behalf by:

.....
G Zouein
Trustee

Impact Lebanon Charity

Independent Examiner's Report to the trustees of Impact Lebanon Charity

I report to the trustees on my examination of the accounts of Impact Lebanon Charity for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity trustees of Impact Lebanon Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Impact Lebanon Charity's accounts 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

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 Impact Lebanon Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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.

.....
Sajjad Rajan CTA FCCA ACA
Chartered Certified Accountants and Statutory Auditors

38 Station Road
Harrow
Middlesex
HA2 7SE

9 August 2023

Impact Lebanon Charity

Statement of Financial Activities for the Year Ended 31 December 2022

	Note	Unrestricted funds £	Total 2022 £	Total 2021 £
Income and Endowments from:				
Donations and legacies		77,300	77,300	2,579
Expenditure on:				
Charitable activities		(1,651)	(1,651)	-
Net income		75,649	75,649	2,579
Net movement in funds		75,649	75,649	2,579
Reconciliation of funds				
Total funds brought forward		2,579	2,579	-
Total funds carried forward	10	78,228	78,228	2,579

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 10.

Impact Lebanon Charity

(Registration number: 1192462)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Cash at bank and in hand	8	79,992	2,579
Creditors: Amounts falling due within one year	9	(1,764)	-
Net assets		78,228	2,579
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		78,228	2,579
Total funds	10	78,228	2,579

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on 9 August 2023 and signed on their behalf by:

.....
G Zouein
Trustee

1 Accounting policies

Statement of compliance
The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation
Impact Lebanon Charity meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

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

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

Judgements and key sources of estimation uncertainty
In the application of the accounting policies, Trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 affected current and future periods.

Income and endowments
Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Grant expenditure

Grants payable are charged in the year when the offer is conveyed to the recipient. 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. Where a grant has been made for the benefit of an individual, or a group of individuals, through the means of an institution, this is recorded as a grant to the institution.

Support costs

Support costs include central functions such as governance cost, finance and information technology incurred directly in support of expenditure on the objects of the charity. They have been allocated to activity cost categories on a basis consistent with the use of resources.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Foreign exchange
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the statement of financial activities in the period in which they arise.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustee discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

As at the balance sheet date, the charity did not have restricted funds.

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, and investments which are held at fair value.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
General donations	77,300	77,300	2,579
	77,300	77,300	2,579

All of the prior year income was attributable to unrestricted funds.

3 Expenditure on charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Governance costs	1,651	1,651	-

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Independent examiner fees			
Examination of the financial statements	300	300	-
Other fees paid to examiners	1,200	1,200	-
Other governance costs	151	151	-
	1,651	1,651	-

5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

6 Independent examiner's remuneration

	2022 £
Examination of the financial statements	300
Other fees to examiners	
All other services	1,200

7 Taxation

The charity is a registered charity and is therefore exempt from taxation.

8 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	79,992	2,579

9 Creditors: amounts falling due within one year

	2022 £
Other creditors	264
Accruals	1,500
	1,764

10 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General	2,579	77,300	(1,651)	78,228

	Balance at 23 November 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
General	-	2,579	-	2,579

11 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 December 2022 £
Current assets	79,992	79,992
Current liabilities	(1,764)	(1,764)
Total net assets	78,228	78,228

	Unrestricted funds General £	Total funds at 31 December 2021 £
Current assets	2,579	2,579

12 Analysis of net funds

	At 1 January 2022 £	Financing cash flows £	At 31 December 2022 £
Cash at bank and in hand	2,579	77,413	79,992
Net funds	2,579	77,413	79,992

13 Related party transactions

There were no related party transactions in the year.

Impact Lebanon Charity

Statement of Financial Activities by fund for the Year Ended 31 December 2022

	Total Unrestricted Funds 2022 £	Total Unrestricted Funds 2021 £
Income and Endowments from:		
Donations and legacies	77,300	2,579
Total income	77,300	2,579
Expenditure on:		
Charitable activities	(1,651)	-
Total expenditure	(1,651)	-
Net income	75,649	2,579
Net movement in funds	75,649	2,579
Reconciliation of funds		
Total funds brought forward	2,579	-
Total funds carried forward	78,228	2,579

Impact Lebanon Charity

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	Total 2022 £	Total 2021 £
Income and Endowments from:		
Donations and legacies (analysed below)	77,300	2,579
Total income	77,300	2,579
Expenditure on:		
Charitable activities (analysed below)	(1,651)	-
Total expenditure	(1,651)	-
Net income	75,649	2,579
Net movement in funds	75,649	2,579
Reconciliation of funds		
Total funds brought forward	2,579	-
Total funds carried forward	78,228	2,579

Impact Lebanon Charity

Detailed Statement of Financial Activities for the Year Ended 31 December 2022 (continued)

	Total Year ended 31 December 2022 £	Total 23 November 2020 to 31 December 2021 £
Donations and legacies		
Appeals and donations	77,300	2,579
	77,300	2,579
Charitable activities		
Accountancy fees	(1,200)	-
Independent examiner's fee	(300)	-
Bank and credit card charges	(151)	-
	(1,651)	-