

Charity Registration No. 215398

BRITISH EMUNAH FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

BRITISH EMUNAH FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs. R Selby, Chair of Trustees Mrs. M. Hirschfield Lady E Sacks Mr. L Markham Mr. L Shelley
Charity number	215398
Principal address	74 Grove Park London NW9 0DD
Honorary Life President	Lady E. Sacks
Honorary President	Mrs. V. Mirvis
Auditor	Landau Morley LLP 325-327 Oldfield Lane North Greenford Middlesex UB6 0FX
Bankers	Barclays Bank Pic 126 Station Road Edgware Middlesex HA8 7RY

BRITISH EMUNAH FUND

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BRITISH EMUNAH FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Constitution, the Charities Act 2011 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 2019)".

Objectives and activities

The objects of the charity, as detailed in the Trust Deed, are to promote, encourage and provide for and generally to organise secular and religious education in Israel in accordance with Jewish law and tradition, for those who are in need of resettlement, and to provide the necessary facilities and equipment to achieve these aims.

The Trust operates through a Head Office and groups throughout the United Kingdom. Funds are raised through membership, activities and appeals.

The organisation contributes to the upkeep, maintenance, and in some cases running costs of its projects in Israel. The provision of therapeutic support is increasingly important for the well-being of the children under its care as well as the provision of the more basic needs such as hot meals provided to children in High Schools who would not otherwise be able to afford to eat.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The charitable purposes of British Emunah Fund are the advancement of education, the relief of poverty and the relief of those in need by reason of youth, financial hardship or other disadvantages. All of the activities that are undertaken by British Emunah Fund are for the advancement of these charitable purposes and are outlined above.

Volunteers

The charity is extremely fortunate to have many dedicated and hard-working volunteers, without whom the charity would not be able to carry out its many and varied activities. Some fundraising activities are led by volunteers, who in many cases plan, prepare and are actually involved in their implementation. It is impossible to attribute a true economic value to this unpaid voluntary contribution.

BRITISH EMUNAH FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The charity's fundraising work in 2020 once again continued in the tradition of the wonderful women who began the charity 88 years ago. Recognising the vital needs of vulnerable children, a group of remarkable women decided that actions must speak louder than words. They showed their support for children whose lives had been devastated by the Holocaust in the most practical way - raising money and providing the basics - clothes, food, love and a safe place to live - with a dedication and passion that allowed them to achieve great things.

In the following decades, more incredible women – and men, have supported the cause and have responded to the changing needs of the Jewish State. Whenever Israel has faced war, terror attacks, waves of mass immigration and all manner of social welfare issues, British Emunah has been there to provide much needed support for disadvantaged children and families. The wonderful Emunah Groups around the country have raised millions over the years and have been able to improve the lives of thousands of children. The Fund's generous donors and supporters have played their vital role too and thousands of young lives have been transformed as a result.

The charity helps to provide care to more than 10,000 at-risk and vulnerable children and families in Emunah day care centres, residential centres, high schools and Crisis & Intervention Centres in Israel – breaking a cycle of mental, physical, sexual and emotional abuse that these children and families have experienced, through no fault of their own.

After battling the impact of Coronavirus, children and families in Israel have been facing an even greater crisis as a consequence of increasing missile attacks.

They have not known 'normal' life for a long time, and many who have come to rely on services provided by Emunah have come from places of neglect, abuse and trauma, never knowing what most of us would consider to be 'normal'.

Emergency support hotlines are provided and many of Emunah's dedicated staff are making themselves available directly to those in need - providing emotional and psychological guidance as well as suggesting ideas for keeping children and family members calm and distracted whilst they are stuck in the shelters.

They remain vigilant and on-call throughout a number of centres, including centres in Afula and Sderot, relying on urgent and generous financial assistance to help those who are vulnerable.

The Beit Rothschild building is the oldest building on the Afula campus (over seventy years old). Despite renovations over many years, the building needs to be completely reconfigured to bring it up to modern standards. The Centre opened its doors in 1949 and became British Emunah's first major fundraising project under the chairmanship of Ruth Sacks. It has been home to thousands of children over the years with many more attending daily.

The charity has received pledges for the 1st floor refurbishment of this building, with works having started in 2021.

During 2020, additional appeals were made for a major refurbishment project at the Sarah Herzog Children's Centre in Afula.

The Sarah Ronson Crisis Intervention Centre in Sderot continues to provide a vital resource for people across southern Israel who have been affected by rocket attacks in the area, many of whom are suffering from Post-Traumatic Stress Disorder.

Discussions are underway in respect of the expansion of this service. The municipality of Sderot, together with World Emunah, have acquired a site for this new Centre and a ground-breaking ceremony was held in 2019. The charity is now in the process of building a new enlarged Centre. Significant funds have been pledged towards this project in 2020 and this project's development continues.

BRITISH EMUNAH FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

British Emunah's Food Fund aims to provide a daily meal for every child at Emunah's special schools and to provide food parcels for children to take home to their families.

Because of Coronavirus restrictions, the charity's annual dinner did not take place in 2020. A Virtual Gala was, however, arranged and took place on 14th December 2020, introduced by Rosalyn Liss (British Emunah's Chairman), with invited guests including Chief Rabbi Ephraim Mirvis and HE Tzipi Hotovely (the Israeli Ambassador for the United Kingdom).

The guest speakers were Samantha Simmonds, Kevin Maguire & Andrew Pierce.

The Virtual Gala raised substantial funds.

Mindy Wiesenbergl, a past Chairman of British Emunah, has recently published a book, "Healing Pathways - A Journey Through Life's Challenges". She is donating the profits from this book to the charity.

The Fund's on-line eBay shop, where donated goods can be sold throughout the world, has continued to operate with some success. This volunteer-led initiative generates significant proceeds, with volunteers helping with on-line listings, packaging and sourcing goods. The general climate of political uncertainty around Brexit has, however, had an effect on eBay sales and donations more generally.

Income from groups continues to be an important source of funds with many dedicated members working hard to organise events across the country. The income from these groups is, however, declining on a year-on-year basis as the group members age and become less active and the nature of women's working patterns means that there are fewer women who have free time to volunteer in the way they did in the past. The charity recognises this and is working hard to find alternative income sources with more events being planned and run by Head Office.

The Charity's strategy for raising the required funds is:

1. Major fundraising functions
2. Contributions from groups, by way of their fundraising
3. Appeals at both Passover and New Year
4. Sundry smaller fundraising events
5. Legacies and Major Donor campaigns
6. The use of reserves set aside for the purpose

Financial review

The results for the year show that there were net incoming resources of £544,413 (2019: net incoming resources of £138,748). The total incoming resources for the year were £1,382,775 (2019: £894,703).

Reserves Policy

The Charity has an ongoing aspiration to contribute approximately £500,000 per annum towards its projects before any additional capital expenditure. It is therefore considered prudent in the current, particularly difficult, financial times to maintain 6 months' costs in a readily realisable form to be able to honour its obligations. At 31st December 2020, the unrestricted reserves amounted to £725,595 (2019: £428,973) and the restricted reserves amounted to £378,509 (2019: £130,718).

BRITISH EMUNAH FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for future periods

The Charity's plan for future periods is to maintain its commitment to its projects to the existing high standards and to supplement the many therapies that are vital to the rehabilitation of the abused and disadvantaged children in its care.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to support the current level of expenditure and to continue in operational existence for the foreseeable future. The Trustees have, however, recognised that COVID 19 has had a significant impact on the activities of the charity. The Trustees are committed to supporting the charity and will continue to evaluate the situation on an ongoing basis and to develop plans for the charity to manage the financial impact going forward.

Structure, governance and management

The Trust Fund is governed by a Trust Deed dated 26th July 1950, amended and updated by resolution dated 19th June 2013, and the Charities Act 1993. The charity's name was amended to British Emunah Fund and the change has been approved by the Charities Commission. A full-time Director was appointed in 2019. The day to day running of the office is her main responsibility as well as providing professional input into the charity's fundraising activities and strategic development. The Director works closely with the Chairman and the Core Group (a sub-committee of the Executive), meeting on a weekly basis. The full Executive meets quarterly and any recommendations regarding new capital projects or changes to existing projects are made to the Trustees for approval. Where possible, sub-committees are formed to organise fundraising activities and these committees report to the Chairman.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mrs. R Selby, Chair of Trustees

Mrs. M. Hirschfield

Mrs. C Compton

(Resigned 28 April 2020)

Lady E Sacks

Mr. L Markham

Mr. L Shelley

In November 2020 the charity moved to a new office at 74 Grove Park (London NW9).

Appointment of Trustees, Induction and Training

New trustees are invited at the suggestion of existing trustees and are inducted and trained so that they fully understand the aims, objectives and the workings of the charity.

Risk Policy

Risks are classified under headings such as financial, premises, staffing and reputation. Risk assessments are carried out in order to ascertain the likelihood of a risk event occurring, of its potential impact, and whether any cost-effective mitigating action may be taken. The major risks relating to these have been identified by the executive and trustees relying on professional advice where appropriate and they are reviewed on a regular basis. The organisation has in place adequate systems accompanied by proper insurance cover which are considered adequate to mitigate major risks.

BRITISH EMUNAH FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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 operation.

The Trustees are responsible for keeping sufficient 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Trustees and signed on their behalf by:

Mrs. R. Selby

Trustee

Dated: 15 October 2021

BRITISH EMUNAH FUND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BRITISH EMUNAH FUND

Opinion

We have audited the financial statements of British Emunah Fund (the 'Charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 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 other information comprises the information included in the annual report other than the financial statements and our auditor's 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 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.

BRITISH EMUNAH FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BRITISH EMUNAH FUND

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the directors.

The extent to which our procedures can detect irregularities, including fraud, is detailed below.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

BRITISH EMUNAH FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BRITISH EMUNAH FUND

- Except for any known or possible non-compliance, and as required by auditing standards, our work in respect of these included enquiry of management about company's policies, procedures, and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance.
- We tested the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We performed analytical procedures to identify any unusual or unexpected relationships.
- We examined supporting documents for all material balances, transactions and disclosures.
- We evaluated the selection and application of accounting policies related to subjective measurements and complex transactions
- We reviewed the minutes of meetings held by the Board of Trustees

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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

Landau Morley LLP

27 October 2021

Chartered Accountants
Statutory Auditor

325-327 Oldfield Lane North
Greenford
Middlesex
UB6 0FX

Landau Morley LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

BRITISH EMUNAH FUND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income from:</u>							
Donations and legacies	3	543,424	510,212	1,053,636	206,218	185,241	391,459
Charitable activities	4	233,775	94,778	328,553	481,319	20,750	502,069
Investments	5	586	-	586	1,175	-	1,175
Total income		777,785	604,990	1,382,775	688,712	205,991	894,703
<u>Expenditure on:</u>							
Raising funds	6	93,581	6,169	99,750	146,460	3,275	149,735
Charitable activities	7	497,603	241,009	738,612	453,011	153,207	606,218
Total resources expended		591,184	247,178	838,362	599,471	156,482	755,953
Net gains/(losses) on investments	13	-	-	-	(2)	-	(2)
Net incoming resources before transfers		186,601	357,812	544,413	89,239	49,509	138,748
Gross transfers between funds		110,021	(110,021)	-	-	-	-
Net movement in funds		296,622	247,791	544,413	89,239	49,509	138,748
Fund balances at 1 January 2020		428,973	130,718	559,691	339,734	81,209	420,943
Fund balances at 31 December 2020		725,595	378,509	1,104,104	428,973	130,718	559,691

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

BRITISH EMUNAH FUND

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14		25,706		14,522
Investments	15		1		1
			<u>25,707</u>		<u>14,523</u>
Current assets					
Debtors	16	161,862		149,325	
Cash at bank and in hand		983,225		475,513	
		<u>1,145,087</u>		<u>624,838</u>	
Creditors: amounts falling due within one year	17	<u>(66,690)</u>		<u>(79,670)</u>	
Net current assets			<u>1,078,397</u>		<u>545,168</u>
Total assets less current liabilities			<u><u>1,104,104</u></u>		<u><u>559,691</u></u>
Income funds					
Restricted funds	18		378,509		130,718
Unrestricted funds			725,595		428,973
			<u><u>1,104,104</u></u>		<u><u>559,691</u></u>

The financial statements were approved by the Trustees on 15 October 2021

Mrs. R Selby, Chair of Trustees
Trustee

BRITISH EMUNAH FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22		524,053		97,905
Investing activities					
Purchase of tangible fixed assets		(16,927)		(764)	
Investment income received		586		1,175	
Net cash (used in)/generated from investing activities			(16,341)		411
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			507,712		98,316
Cash and cash equivalents at beginning of year			475,513		377,197
Cash and cash equivalents at end of year			983,225		475,513

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

British Emunah Fund is governed by a Trust Deed dated 26th July 1950, amended and updated by resolution dated 19th June 2013, and the Charities Act 2011. The charity's name was amended to British Emunah Fund and the change has been approved by the Charities Commission.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Constitution, the Charities Act 2011 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 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to support the current level of expenditure and to continue in operational existence for the foreseeable future.

The Trustees have, however, recognised that, due to the impact of COVID 19, there has been a significant impact on the activities of the charity.

The Trustees are committed to supporting the charity and will continue to evaluate the situation on an ongoing basis and to develop plans for the charity to manage the financial impact going forward.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Short-term leasehold property	Over the period of the lease
Office equipment	10% on written down value
Computer equipment	25% straight line
Database	No depreciation

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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.

Basic financial assets

Basic financial assets, which include debtors and cash at bank balances.

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	155,251	510,212	665,463	120,230	138,574	258,804
Legacies receivable	346,792	-	346,792	44,562	46,667	91,229
Government grant	7,977	-	7,977	-	-	-
Subscriptions	10,283	-	10,283	10,284	-	10,284
Other	23,121	-	23,121	31,142	-	31,142
	<u>543,424</u>	<u>510,212</u>	<u>1,053,636</u>	<u>206,218</u>	<u>185,241</u>	<u>391,459</u>

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	2020 £	2019 £
Appeals and fundraising	285,982	451,751
Ebay shop income	42,571	50,318
	<u>328,553</u>	<u>502,069</u>
Analysis by fund		
Unrestricted funds	233,775	481,319
Restricted funds	94,778	20,750
	<u>328,553</u>	<u>502,069</u>

5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	<u>586</u>	<u>1,175</u>

6 Raising funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Fundraising and publicity</u>						
Dinner	27,740	-	27,740	92,407	-	92,407
General appeals and events	65,841	6,169	72,010	54,053	3,275	57,328
Fundraising and publicity	<u>93,581</u>	<u>6,169</u>	<u>99,750</u>	<u>146,460</u>	<u>3,275</u>	<u>149,735</u>
	<u>93,581</u>	<u>6,169</u>	<u>99,750</u>	<u>146,460</u>	<u>3,275</u>	<u>149,735</u>

Included in General appeals and events are salary costs of £10,700 (2019: £34,400).

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	2020 £	2019 £
Printing, postage and stationery	3,169	4,234
Ebay shop expenses	32,478	46,064
Diaries and magazines	10,161	12,004
Advertising and publicity	18,827	44,887
	<u>64,635</u>	<u>107,189</u>
Grant funding of activities (see note 8)	384,953	298,375
Share of support costs (see note 9)	289,024	200,654
	<u>738,612</u>	<u>606,218</u>
Analysis by fund		
Unrestricted funds	497,603	453,011
Restricted funds	241,009	153,207
	<u>738,612</u>	<u>606,218</u>

Included in Ebay shop expenses are salary costs of £24,067 (2019: £23,700) and rent payments of £Nil (2019: £12,270).

8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Other	384,953	298,375
	<u>384,953</u>	<u>298,375</u>

In the year, of the total grants paid, £143,944 (2019: £145,168) related to unrestricted funds and £241,009 (2019: £153,207) related to restricted funds.

For grant funding activities see attached appendix.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Support Governance costs		2020		Support costs		2019	
	£	£	£	£	£	£	£	£
Staff costs	99,740	-	99,740	-	101,555	-	101,555	-
Depreciation	5,743	-	5,743	-	1,669	-	1,669	-
Accountancy and bookkeeping fees	30,294	-	30,294	-	25,456	-	25,456	-
Rent, rates and service charges	27,987	-	27,987	-	30,460	-	30,460	-
Light and heat	2,140	-	2,140	-	2,924	-	2,924	-
Telephone	4,080	-	4,080	-	3,852	-	3,852	-
Equipment hire and computer maintenance	19,870	-	19,870	-	10,536	-	10,536	-
Office stationery	1,245	-	1,245	-	2,560	-	2,560	-
Insurance	2,415	-	2,415	-	1,512	-	1,512	-
Bank charges	2,985	-	2,985	-	3,533	-	3,533	-
Travel and entertaining	508	-	508	-	774	-	774	-
Cleaning, repairs and renewals	1,744	-	1,744	-	2,905	-	2,905	-
Staff welfare, training and other	2,395	-	2,395	-	2,387	-	2,387	-
Consultancy	26,640	-	26,640	-	3,450	-	3,450	-
Moving office	53,470	-	53,470	-	-	-	-	-
Audit fees	-	7,768	7,768	7,080	-	7,080	7,080	7,080
	281,256	7,768	289,024	7,080	193,573	7,080	200,653	7,080
Analysed between								
Charitable activities	281,256	7,768	289,024	7,080	193,573	7,080	200,654	7,080

Governance costs includes payments to the auditors of £7,768 (2019: £7,080) for audit fees.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Net movement in funds	2020	2019
	£	£
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	5,743	1,670

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

12 Employees

Number of employees

The average monthly number of employees during the year was:

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	2020	2019
	Number	Number
	5	7

Employment costs

	2020	2019
	£	£
Wages and salaries	116,847	147,682
Social security costs	5,908	7,451
Other pension costs	1,052	1,312
	123,807	156,445

No employee received remuneration amounting to more than £60,000 during the year.
Included in wages and salaries are redundancy payments of £12,000.

The key management personnel of the Fund comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the company were £41,706 (2019: £40,505).

13 Net gains/(losses) on investments

	Total	Unrestricted funds
	2020	2019
	£	£
Loss on write off of investments	-	(2)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Short-term leasehold property	Office equipment	Computer equipment	Database	Total
	£	£	£	£	£
Cost					
At 1 January 2020	24,575	72,204	24,407	18,356	139,542
Additions	-	-	16,927	-	16,927
	<u>24,575</u>	<u>72,204</u>	<u>41,334</u>	<u>18,356</u>	<u>156,469</u>
At 31 December 2020	24,575	72,204	41,334	18,356	156,469
Depreciation and impairment					
At 1 January 2020	24,575	57,934	24,155	18,356	125,020
Depreciation charged in the year	-	1,427	4,316	-	5,743
	<u>24,575</u>	<u>59,361</u>	<u>28,471</u>	<u>18,356</u>	<u>130,763</u>
At 31 December 2020	24,575	59,361	28,471	18,356	130,763
Carrying amount					
At 31 December 2020	-	12,843	12,863	-	25,706
At 31 December 2019	-	14,270	252	-	14,522

			Other investments
Cost or valuation			
At 1 January 2020 & 31 December 2020			1
Carrying amount			
At 31 December 2020			1
At 31 December 2019			1
Other investments comprise:	Notes	2020 £	2019 £
Investments in subsidiaries		1	1

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	50,722	133,825
Prepayments and accrued income	111,140	15,500
	<u>161,862</u>	<u>149,325</u>

17 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	2,278	2,501
Other creditors	297	-
Accruals and deferred income	64,115	77,169
	<u>66,690</u>	<u>79,670</u>

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019	Movement in funds			Balance at 1 January 2020	Movement in funds			Balance at 31 December 2020
	£	Incoming resources	Resources expended	£	£	Incoming resources	Resources expended	Transfers	£
Restricted Funds	81,209	205,991	(156,482)	130,718	604,990	(247,178)	(110,021)		378,509

The restricted funds have been established to provide for the upkeep, maintenance and running costs of the charity's projects in Israel.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	25,706	-	25,706	14,522	-	14,522
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	699,888	378,509	1,078,397	414,450	130,718	545,168
	<u>725,595</u>	<u>378,509</u>	<u>1,104,104</u>	<u>428,973</u>	<u>130,718</u>	<u>559,691</u>

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	24,710	24,710
Between two and five years	86,790	98,840
In over five years	-	12,660
	<u>111,500</u>	<u>136,210</u>

21 Related party transactions

The total sum donated to the charity by the Trustees and their connected charities was £22,729 (2019: £33,383).

22 Cash generated from operations

	2020 £	2019 £
Surplus for the year	544,413	138,748
Adjustments for:		
Investment income recognised in statement of financial activities	(586)	(1,175)
Fair value gains and losses on investments	-	2
Depreciation and impairment of tangible fixed assets	5,743	1,670
Movements in working capital:		
(Increase) in debtors	(12,537)	(57,213)
(Decrease)/increase in creditors	(12,980)	15,873
Cash generated from operations	<u>524,053</u>	<u>97,905</u>

23 Analysis of changes in net funds

The Charity had no debt during the year.

	2020	2019
	£	£
Direct Charitable Expenditure		
<u>Israel Emunah</u>		
Refurbishment	2,552	-
Contra account	22,557	4,024
Sundry contributions	-	2,678
<u>World Emunah</u>		
Annual contribution	15,783	20,415
Sundry contribution	277	-
Plaque prizes	-	2,438
<u>Projects</u>		
Beit Lady Brodie, Neve Shaanan, Haifa		
Refurbishment	-	4,536
Neve Landy Children's Village, Even Shmuel		
Refurbishment	64,735	-
Furniture, equipment and computer	8,835	535
Repairs	-	15,329
Barmitzvah present	754	-
Sundry contributions	6,650	4,650
Sarah Herzog Children's Centre, Afula		
Refurbishment	-	13,000
Books and barmitzvah celebration	-	5,000
Food fund	28,729	-
Counselling and therapy	230	50
Beit Rothschild	-	6,552
Sundry contributions	-	-
Amelie Jakobovits Day Care Centre, Kiryat Nordau, Netanya		
Equipment	-	9,352
Sundry contributions	-	2,250
Neché Sara Wolfson Vocational High School, Bnei Brak		
Counselling	-	2,000
Sundry contributions	-	1,500
Scholarships	-	500
Sundry contributions	25,637	-
Neché Sara Wolfson / Weinstein		
Food fund	45,695	-
Neché Sara Wolfson / Rose Wilner - Netanya		
Refurbishment	18,710	-
Beit Bondt, Netivot		
Beit Bondt counselling	-	9,000
Nahariya Counselling Centre		
Sundry contribution	500	-
Beit Weinstein with the Doris and Bertie Black Vocational Training School with the Samuel Silverman Community Centre Bnei Brak		
Refurbishments	-	9,750
Repairs and Maintenance - Weinstein School - Bnei Brak	-	10,000
Scholarships	-	3,000
Sundry Contribution - Weinstein School - Bnei Brak	6,125	5,200
Furniture and Computer Equipment	3,014	-
Beith Elazraki		
Contra pay	25,875	9,449
The Joseph Wineman Day Care Centre, BeerSheva		
Maintenance	-	2,000
Sundry Contribution	-	2,500

BRITISH EMUNAH FUND
Grant Funding Activities
for the year ended 31 December 2020

Appendix

	2020	2019
Guggy Grahame Centre, Tiberias		
Counselling	-	17,463
Sderot family counselling		
Counselling and therapy expenses	2,267	105,704
Refurbishment	99,802	-
Sundry expenses	1,650	-
Tefillin Fund	1,984	-
Food Fund	-	29,500
Ahuzat Sara	2,592	-
	<u>£384,953</u>	<u>£298,375</u>