

AHAVAT SHALOM CHARITY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

AHAVAT SHALOM CHARITY FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A S Abraham Mrs A Abraham Mr A Hillel Mr E Hillel Mr E Shasha
Charity number	283397
Principal address	9 Brentwood Lodge Holmdale Gardens London NW4 2LY
Auditor	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
Bankers	National Westminster Bank PLC Hendon London United Kingdom NW4 4DS

AHAVAT SHALOM CHARITY FUND

CONTENTS

	Page
Trustees' report	1 - 4
Statement of Trustees' responsibilities	5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 18

AHAVAT SHALOM CHARITY FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The Trustees present their report and financial statements for the year ended 30 April 2021.

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 Trust Deed, 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 charitable objects of Ahavat Shalom Charity Fund are given below and are taken from the Trust Deed, as follows:

- To maintain support and further such of the purposes and activities of the Yeshiva Chevrat Ahavat Shalom ("the School") as are charitable according to English Law.
- To advance education in Israel and wheresoever the School shall carry on its activities.

Ahavat Shalom Charity Fund operates with the aim of raising funds in order to help fund the Yeshiva Chevrat Ahavat Shalom School and its affiliated institutions in Israel. These institutions include:

- Gavriel Sar Yisrael
- Bnot Elisheva
- Kehilot Yisrael

In this context the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in relation to the activities being for the public benefit, as well as, the Equalities Act 2010 when reviewing the Charity's aims and objectives and in planning future activities.

Ahavat Shalom Charity Fund's objectives for the year are to maintain, support and further the activities of Yeshiva Chevrat Ahavat Shalom School, Gavriel Sar Yisrael, Bnot Elisheva, Kehilot Yisrael Education and Cultural Center, and further advance education in Israel, as follows:

- Fundraising - Publicising Yeshiva Chevrat Ahavat Shalom School, its activities and The Kehillot Yisrael Museum and Cultural Centre and their respective activities.
- Payments to Yeshiva Chevrat Ahavat Shalom School and Gavriel Sar Yisrael providing student grants and funding for construction as and when required.
- Kehilot Yisrael Education and Cultural Center - To promote, administer and remit the donations received.
- Remittance of donations received to Bnot Elisheva as and when required.
- To fund capital infrastructure as improved educational facilities
- To fund salaries for high-quality educators
- To fund student stipends to enable outstanding students to pursue their studies.

To meet these objectives, the Trustees aim to reach out to various donors to collect donations and to publicise Yeshiva Chevrat Ahavat Shalom School, Gavriel Sar Yisrael, Bnot Elisheva, Kehilot Yisrael Education and Cultural Center and their respective activities.

To assess whether these objectives have been achieved, the Trustees review the amount of monies received for charitable purposes and amount of monies remitted to the Yeshiva Chevrat Ahavat Shalom Institutions in the year.

AHAVAT SHALOM CHARITY FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Achievements and performance

The results for the year are set out in the Statement of Financial Activities on page 9.

The Trustees collected various donations amounting to £1,694,649 (2020: £734,424) during the year.

During the year, the Trustees remitted £3,153,062 (2020: £5,025,813) to institutions in Israel and have been successful in achieving the objectives set. The charity's beneficiaries are, therefore, able to provide better quality facilities and teaching services by provision of buildings, equipment, teachers to school children and student grants.

In the past year, beneficiary charities achieved the following:

- *Yeshivat Chevrat Ahavat Shalom*: The Yeshiva boasts a high calibre student body with 170 carefully selected fulltime scholars, and 1,800 students in an evening study program with 60 branches throughout Israel.
- *Gavriel Sar Yisrael*: Gavriel Sar Yisrael hosts a constantly growing student body of over 1,000, including, approximately 750 full time married students, an additional 150 students in evening learning programs and approximately 150 workers and activists for youth programs consisting of approximately 6,000 youths. Gavriel Sar Yisrael is in completion stages for its Modiin Elite Yeshiva building. Advancements are being made in the Mount Zion construction project which aims to educate its visitors in Jewish history and host an educational youth center as well as a full time learning center for its ever-growing number of students.
- *Kehilot Yisrael Education and Cultural Center*: This organisation is advancing in its capital development project for a cultural educational centre that will offer an interactive space to educate and train people in Jewish History and Culture.
- *Bnot Elisheva*: This High School and college has a student body of 1,700. Students achieve outstanding results in all subjects and the school is recognised by the Israeli Ministry of Education and also registered as a government institute for Technology and Science Training.

Financial review

Ahavat Shalom Charity Fund has maintained its healthy financial position, with closing fund balances amounting to £2,745,923 (2020: £4,311,989) of which no funds relate to restricted funds. Furthermore, an amount of £1,976,436 (2020: £1,976,436) within the closing unrestricted fund balance is designated for specific purposes. Hence, the total unrestricted reserves the charity holds amounts to £769,487 (2020: £2,335,553) at the end of the reporting period after making allowance for restricted and designated funds.

The principal funding source was the donations received from various donors.

The total unrestricted donations received by Ahavat Shalom Charity Fund reached £923,051 (2020: £734,424). An amount of £2,381,464 (2020: £4,782,359) was sent to the named institutions in Israel to fund charitable activities and related support costs.

The total restricted donations received by Ahavat Shalom Charity Fund reached £771,598 (2020: £nil). An amount of £771,598 (2020: £nil) was remitted to Gavriel Sar Yisrael to fund the student programme. Ahavat Shalom Charity Fund remitted an amount of £nil (2020: £243,454) to Kehilot Yisrael Education and Cultural Center project to fund capital development costs.

The charity saw a foreign exchange loss of £73,370 (foreign exchange gain in 2020: £79,619).

AHAVAT SHALOM CHARITY FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Reserves policy

The year's deficit has reduced the unrestricted fund to £2,745,923 (2020: £4,311,989). Of this amount, £1,976,436 will be held in the designated fund for Bnot Elisheva, and the £769,487 is 'free'. Of these 'free' funds, £362,582 has been expended post year end thus far, in accordance with the charitable objectives. It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a minimum level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year. The intention of the charity is to make further payments to the Yeshiva Chevrat Ahavat Shalom School and its affiliated institutions in Israel as and when required in the future. This policy will provide adequate funds to meet current and anticipated future liabilities and provide financial flexibility in the event of an adverse drop in donations received.

Investment policy

In accordance with the Trust Deed, the Trustees have the power to invest in such assets as they see fit. The charity has a policy of keeping any funds in short-term deposits which can be accessed readily should the School require funds urgently.

Plans for the future

The Trustees intend to continue their fundraising efforts in the coming years and as they have in the past proven to be successful, they have no current plans to change them materially.

The Trustees also intend to remit funds to advance education in Israel and wheresoever the Yeshiva Chevrat Ahavat Shalom School shall carry on its activities.

The Trustees have assessed the impact of the coronavirus pandemic on the charity and are of the opinion that this should not materially impact the charity in the long term as there have been no observed changes to donations received.

Structure, governance and management

The Charity is governed by its Trust deed adopted 17 September 1981 as amended 6 January 2000 and last amended on 12 January 2017. The Charity's reference and administrative details are as set out within these financial statements. The Charity was established under a Constitution which established the objects and powers of the Charity and is governed by constitution of Trust deed. Furthermore, the Charity has a safeguarding policy that applies to all staff and Trustees, which has been detailed in the Trustee Handbook.

History

Ahavat Shalom Charity Fund, a registered charity [charity number: 283397], was originally established in 1981 to support and further the activities of the Yeshiva Chevrat Ahavat Shalom School. In 2012 the School established Kehilot Yisrael Education and Cultural Center, thereafter the Charity revised its objectives to further advance education in Israel, and supported wider institutions in Israel such as Gavriel Sar Yisrael and Bnot Elisheva.

The Trustees who served during the year were:

Mr A S Abraham
Mrs A Abraham
Mr A Hillel
Mr E Hillel
Mr E Shasha

Recruitment, appointment and terms of office of Trustees

Trustees are appointed in accordance with the Trust Deed and subsequent amendment.

The Charity has the power to appoint additional Trustees as it sees fit.

AHAVAT SHALOM CHARITY FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Operations and staffing

The Trustees collectively manage the charity with all executive decisions being made by the Trustees.

Risk management

The Trustees have identified and reviewed the major risks to which the charity is exposed. Both manual and automated checks are regularly invoked, particularly those relating to the operations and finance of the charity. The trustees are satisfied that these systems and procedures mitigate any perceived risks.

Coronavirus pandemic

The Trustees have assessed the impact of the global coronavirus pandemic and subsequent intervention from governments worldwide. The charity has not seen a significant change in donations received from donors. Furthermore, Yeshiva Chevrat Ahavat Shalom School and its affiliated institutions in Israel have adapted to social distancing measures and travel restrictions in force as a result of the pandemic through digital technology to continue to provide the educational programmes. The Trustees monitor the situation and respond to changes as necessary.

Introduction and training of Trustees

All Trustees are now already familiar with the practical work of the charity. Induction procedures are in place for new Trustees, with mechanisms in place to keep all the Trustees abreast of developments in the sector.

Arrangements for setting the pay and remuneration for the key management personnel

The Trustees consider the Board of Trustees as comprising the Key Management Personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give their free time freely and no Trustee received remuneration in the year. Details of related party transactions are disclosed in Note 18 to the financial statements.

Staff pay will be reviewed per staff contracts. In view of the nature of the Charity, the Trustees will normally benchmark against pay levels in other charities of similar size.

Fundraising

The Board of Trustees supports raising funds from the public in relation to our core activities. No professional fundraisers or third party commercial participators are used.

Related parties

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

Aggregate donations received from related parties without conditions amounted to £39,200 (2020: £24,313) for the year.

During the year, the charity remitted \$750,000 and £1,917,180 (2020: \$2,630,000 and £1,350,000) to Gavriel Sar Yisrael, a charity in which Mr A Hillel is also a Trustee.

The Trustees' report was approved by the Board of Trustees.

Mr A S Abraham

Trustee

Dated: 29 November 2021

Mrs A Abraham

Trustee

Dated: 29 November 2021

AHAVAT SHALOM CHARITY FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 APRIL 2021

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.

AHAVAT SHALOM CHARITY FUND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF AHAVAT SHALOM CHARITY FUND

Opinion

We have audited the financial statements of Ahavat Shalom Charity Fund (the 'charity') for the year ended 30 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 April 2021 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.

AHAVAT SHALOM CHARITY FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF AHAVAT SHALOM CHARITY FUND

Matters on which we are required to report by exception

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

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; 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 liquidate the charity or 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charity Commission Regulations, Charities Act 2011, Statement of recommended practice (SORP FRS102), taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

AHAVAT SHALOM CHARITY FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF AHAVAT SHALOM CHARITY FUND

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed and tested journal entries to identify unusual transactions and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing and agreeing financial statement disclosures and testing to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and bankers.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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 auditor's 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RDP Newmans LLP

30 November 2021

**Chartered Accountants
Statutory Auditor**

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

RDP Newmans 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.

AHAVAT SHALOM CHARITY FUND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	923,051	771,598	1,694,649	734,424	-	734,424
Investments	4	1,423	-	1,423	33,073	-	33,073
Other income	5	-	-	-	79,619	-	79,619
Total income		924,474	771,598	1,696,072	847,116	-	847,116
<u>Expenditure on:</u>							
Raising funds	6	581	-	581	715	-	715
<u>Charitable activities</u>							
Education	7	2,381,464	771,598	3,153,062	4,782,359	243,454	5,025,813
Total charitable expenditure		2,381,464	771,598	3,153,062	4,782,359	243,454	5,025,813
Other	11	108,495	-	108,495	86,353	-	86,353
Total resources expended		2,490,540	771,598	3,262,138	4,869,427	243,454	5,112,881
Net expenditure for the year/ Net movement in funds		(1,566,066)	-	(1,566,066)	(4,022,311)	(243,454)	(4,265,765)
Fund balances at 1 May 2020		4,311,989	-	4,311,989	8,334,300	243,454	8,577,754
Fund balances at 30 April 2021		2,745,923	-	2,745,923	4,311,989	-	4,311,989

AHAVAT SHALOM CHARITY FUND

BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	12	10,506		10,467	
Cash at bank and in hand		2,747,417		4,324,761	
		<u>2,757,923</u>		<u>4,335,228</u>	
Creditors: amounts falling due within one year	13	(12,000)		(23,239)	
Net current assets			2,745,923		4,311,989
			<u>2,745,923</u>		<u>4,311,989</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	15	1,976,436		1,976,436	
General unrestricted funds	15	769,487		2,335,553	
		<u>2,745,923</u>		<u>4,311,989</u>	
			2,745,923		4,311,989
			<u>2,745,923</u>		<u>4,311,989</u>

The notes at pages 12 to 18 form part of these accounts.

The financial statements were approved by the board of Trustees and authorised for issue on 29 November 2021 and are signed on its behalf by:

Mr A S Abraham
Trustee

Mrs A Abraham
Trustee

AHAVAT SHALOM CHARITY FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	18	(1,578,767)		(4,289,634)	
Investing activities					
Investment income received		1,423		33,073	
		<hr/>		<hr/>	
Net cash generated from investing activities			1,423		33,073
Net cash used in financing activities			-		-
			<hr/>		<hr/>
Net decrease in cash and cash equivalents		(1,577,344)		(4,256,561)	
Cash and cash equivalents at beginning of year		4,324,761		8,581,322	
		<hr/>		<hr/>	
Cash and cash equivalents at end of year		2,747,417		4,324,761	
		<hr/> <hr/>		<hr/> <hr/>	

AHAVAT SHALOM CHARITY FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Charity information

Ahavat Shalom Charity Fund is an unincorporated Charity registered in England and Wales. The principal address is 9 Brentwood Lodge, Holmdale Gardens, London, NW4 2LY. The Charity is registered at Charities Commission with registration number 283397.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Trust Deed, 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 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. 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 continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

Donations are recognised on receipt or 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.

Investment income is recognised on a receivable basis.

1.5 Expenditure

Costs of generating funds are those costs incurred in attracting and administering voluntary income.

Expenditure on charitable activities include both direct costs and those costs incurred in support of the charitable expenditure and have been allocated to the sole charitable activity.

Other expenditure includes the costs of any legal advice to the trustees on governance or constitutional matters, external accountancy and audit costs.

The charity is not registered for VAT so all expenses shown in the Statement Of Financial Activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

AHAVAT SHALOM CHARITY FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.6 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.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

1.8 Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of financial activities; gains recorded as other income and all losses as a support cost of the relevant activity.

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.

In the view of the Trustees, there are no significant accounting estimates and judgements applied.

AHAVAT SHALOM CHARITY FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	923,051	771,598	1,694,649	734,424

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	1,423	33,073

5 Other income

	Total	Unrestricted funds
	2021 £	2020 £
Gain on foreign exchange	-	79,619

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Costs of generating funds</u>		
Support costs	581	715
	581	715

AHAVAT SHALOM CHARITY FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

7 Charitable activities

	Education 2021 £	Education 2020 £
Activities undertaken directly	3,153,062	5,025,813
Analysis by fund		
Unrestricted funds	2,381,464	4,782,359
Restricted funds	771,598	243,454
	3,153,062	5,025,813

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:

	2021 £	2020 £
Audit of the charity's annual accounts	8,400	11,520
Non-audit services		
All other non-audit services	4,110	6,960

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year nor were any expenses reimbursed to them.

10 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
1	-

There were no employees whose annual remuneration was £60,000 or more.

AHAVAT SHALOM CHARITY FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

11 Other

	Unrestricted funds	Unrestricted funds
	2021	2020
Legal and professional fees	19,955	68,353
Wages and salaries	3,170	-
Foreign exchange loss	73,370	-
Audit and accountancy fees	12,000	18,000
	<u>108,495</u>	<u>86,353</u>

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	200	8,325
Prepayments and accrued income	10,306	2,142
	<u>10,506</u>	<u>10,467</u>

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	10,642
Other creditors	-	597
Accruals and deferred income	12,000	12,000
	<u>12,000</u>	<u>23,239</u>

AHAVAT SHALOM CHARITY FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

14 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:

	Movement in funds					
	Balance at 1 May 2019 £	Resources expended £	Balance at 1 May 2020 £	Incoming resources £	Resources expended £	Balance at 30 April 2021 £
Kehilot Yisrael Education and Cultural Center	243,454	(243,454)	-	-	-	-
Gavriel Sar	-	-	-	771,598	(771,598)	-
	<u>243,454</u>	<u>(243,454)</u>	<u>-</u>	<u>771,598</u>	<u>(771,598)</u>	<u>-</u>

Kehilot Yisrael Education and Cultural Center is a public association established by Yeshiva Chevrat Ahavat Shalom School in 2012 with the long term goal of creating a community museum centre in Jerusalem focusing on Jewish culture and the history of the nation, from its earliest stages until today.

Gavriel Sar Yisrael was founded in 2001 to further advance high level Talmudic Scholarships, provide structured after-school educational programmes for youth, and provide advanced adult study programmes throughout Israel.

15 Unrestricted funds

The income funds of the charity include unrestricted funds, within which designated funds have been set aside by the trustees for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 May 2019	Incoming resources	Resources expended	Balance at 1 May 2020	Incoming resources	Resources expended	Balance at 30 April 2021
	£	£	£	£	£	£	£
Designated - Bnot Elisheva	1,976,436	-	-	1,976,436	-	-	1,976,436
Designated - Gavriel Sar Yisrael	13,674	-	(13,674)	-	-	-	-
General Unrestricted Fund	6,344,190	847,116	(4,855,753)	2,335,553	924,474	(2,490,540)	769,487
	8,334,300	847,116	(4,869,427)	4,311,989	924,474	(2,490,540)	2,745,923

AHAVAT SHALOM CHARITY FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

15 Unrestricted funds

(Continued)

Founded in 2002, Bnot Elisheva is a High School and College that is recognised by the Ministry of Education and the Government Institute for Technology and Science Training. The college faculty work individually with students with learning disabilities, creating opportunities for them to achieve success and outstanding achievement. A surplus amounting to £1,976,436 is being carried forward to next year.

Gavriel Sar Yisrael was founded in 2001 to further advance high level Talmudic Scholarships, provide structured after-school educational programmes for youth, and provide advanced adult study programmes throughout Israel.

The General Unrestricted Fund relates to "free reserves" after allowing for all designated funds.

16 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total	Unrestricted funds	Designated funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 30 April 2021 are represented by:						
Current assets	781,487	1,976,436	2,757,923	2,358,792	1,976,436	4,335,228
Current liabilities	(12,000)		(12,000)	(23,239)		(23,239)
	<u>769,487</u>	<u>1,976,436</u>	<u>2,745,923</u>	<u>2,335,553</u>	<u>1,976,436</u>	<u>4,311,989</u>

17 Related party transactions

Aggregate donations received from related parties without conditions amounted to £39,200 (2020: £24,313) for the year.

During the year, the charity remitted \$750,000 and £1,917,180 (2020: \$2,630,000 and £1,350,000) to Gavriel Sar Yisrael, a charity in which Mr A Hillel is also a Trustee.

18 Cash generated from operations

	2021	2020
	£	£
Deficit for the year	(1,566,066)	(4,265,765)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,423)	(33,073)
Movements in working capital:		
(Increase)/decrease in debtors	(39)	4,442
(Decrease)/increase in creditors	(11,239)	4,762
Cash absorbed by operations	<u>(1,578,767)</u>	<u>(4,289,634)</u>

19 Analysis of changes in net funds

The charity had no debt during the year.