



iF charity

Report and Financial Statements for the Year Ended

31 December 2020

Charity No: 1095626

IF CHARITY (Registered Charity No. 1095626):
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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Legal and Administrative Information

Trustees

Mr Abdessamed El Haouari (joined 12th February 2020)
Miss Summereen Khan (joined 15th January 2021)
Mr Sohikul Choudhury (joined 15th January 2021)
Mr Hachmi Bannani (retired 19th January 2021)
Mr Ismail Ginwalla MBE (retired 25th January 2020)
Mr Ibrahim Sayam (retired 22nd June 2021)

Chairman

Mr Abdessamed El Haouari

Correspondence address

Unit 1, 29 Henley Street
Birmingham
B11 1JB

Bankers

Cashplus
One London Wall
London
EC2Y 5EB

Independent Auditors

M Akram & Co.
Chartered Accountants & Registered Auditors
413 Lea Bridge Road
London
E10 7EA

Field Auditors

Talal Abu Gazaleh & Co International (TAGI)
Al Quds Street
Alqwqaf Building
P.O Box 505
Gaza, Palestine

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out on page 17-20 and fully comply with the charity's trust deed and applicable law.

Trustees' Statement

IF Charity experienced huge change and challenges in 2020 including internal development and coping with the impact of the ongoing Covid-19 Global Pandemic. The humanitarian crisis continued to worsen for the people of Gaza and the needs on the ground grew exponentially. The economic stagnation and poverty caused by the siege was exacerbated by the Pandemic and the onset of an outbreak further pushed Gaza's broken medical sector into crisis.

In 2020, the trustees continued to prioritise the effective delivery of aid to the Gaza Strip and expended over £1.6 million on charitable activities that provided thousands of families with financial aid, food aid and medical support. Despite the challenges in the field especially during an ongoing outbreak of Covid-19, our Gaza representatives ensured beneficiaries did not miss out on vital aid and that they cooperated with local Covid-19 restrictions and liaised with the medical sector.

Changes in the way the charity operates and a move to more direct control and implementation in the field required significant operational changes and recruitment of qualified fundraising and admin staff. This increased operational costs, including the setting up for a head office in Birmingham and more spending on fundraising, however it also led to greater brand awareness and fundraising success in the year. Throughout 2020, the charity launched successful Ramadan, Qurbani and Winter campaigns, as well as continuing to build links with volunteer fundraisers and other charities as an expert working in Gaza. You can read more about our work in 2020 [here](#).

The situation in Gaza remains dire and the charity is aware that the vulnerabilities of those living there are only increasing. The assault in May 2021 has only made things more critical and IF Charity has continued to respond as required. In 2021, the charity has continued to develop and grow and the trustees remain positive with the progress and confident in the charity's governance and ability to be a leading expert for aid in Gaza.

Organisation and Objectives

Organisation

'IF' is a British charity (Registered Charity No. 1095626) constituted under a trust deed dated 20 February 2002, as amended by a supplemental deed dated 20 December 2002.

The trustees who have served during the year are set out on page 3. Trustees are appointed by a resolution of the trustees at a special meeting. The trustees meet as and when required to discuss the business of the charity.

Objectives of the Charity

The objects of the charity are the provision of general charitable welfare services such as poverty relief, promotion of education, empowerment of the local community and support for medical aid.

Since 2009, the charity's main area of activity has been the Gaza Strip; this followed the 2008-2009 military assault on Gaza that resulted in the ongoing humanitarian crisis.

Areas of Work

If Charity has a robust system of aid delivery set up to ensure the following humanitarian programmes could be safely and successfully implemented in the field:

- **Gaza Relief Programme:** This programme aims to address poverty alleviation and includes the provision of food aid, shelter, financial support and emergency aid. It also includes all projects related to seasonal Ramadan and Eid Al Adha programmes.
- **Gaza Medical Fund:** With the health sector in Gaza struggling to cope, this fund works to support better healthcare and ensure access to medical care for the vulnerable.
- **Gaza Education Projects:** With the majority of Gaza's population under the age of 18 years old, this section of IF Charity's work relates to addressing educational needs and improving educational institutions.
- **Community Support Programme:** This category addresses long-term support for the community in Gaza, including empowerment and capacity building. Projects include job creation, providing access to clean water for those in need and supporting local NGOs.

Operations

In line with IF Charity's objectives the trustees continued to utilise the expertise of the charity to deliver aid partner whilst also realigning its operations to reflect a new way of working. Robust due diligence and governance remain a key focus for the trustees and the projects cycle is governed by the charity's regularly updated Operations Manual. Any partnerships also fully adopt the stringent processes laid out in the Operations Manual.

In order to facilitate effective project delivery, funds are transferred on a regular basis to the trust partners in Gaza. Once received, the implementation of projects begins in line with the projects cycle

outlined in the Operations Manual. Throughout the process, IF Charity's representatives are directly in control of every stage of implementation.

Public Benefit

The trustees confirm they have given due consideration to public benefit and have complied with the Charities Act 2011 in this regard.

Risk Management

The trustees are aware of the risks associated with working in a politically sensitive area. As such, the charity has adopted the stringent due diligence and risk management processes that ensure robust compliance processes are in place. The trustees are confident these satisfy all regulatory authorities and their legal duties. The trustees also adhere to safeguarding practices, and ensure partner organisations have safeguarding policies in place. Regulations related to GDPR, anti-theft & money laundering and data protection are also followed by the charity in line with good governance.

Review of Activities and Achievements in 2020

The humanitarian situation has worsened in the Gaza Strip and the onset of the Covid-19 Pandemic has only made the crisis even more acute and dangerous. Poverty rates have increased sharply, with over 80% of the population reliant on international assistance to survive and unemployment has high as 49%. Many people trapped in poverty have complex needs and vulnerabilities related to health and mental well-being, housing, education, disability and education.

IF Charity successfully expended £1,658,111 of its total funds during the year on its charitable activities in the Gaza Strip. The majority of this was spent on the Gaza Relief Programme and addressing the immediate impact of poverty and food insecurity.

The charity was also successful in significantly increasing its income, raising £2,198,280 through its campaigns and strengthening its brand recognition and trust with donors.

Throughout the year, IF Charity supported over 4000 families with regular financial aid as part of its sponsorships programme. In addition to this, over 4000 families received cash or food aid and over 400 were provided with cooked iftar meals during Ramadan whilst over 2000 families received food aid or meat parcels during the Qurbani campaign. Financial aid is a vital lifeline for many, including female headed households and families coping with long term sickness or disability. Our team on the ground has helped provide families with special supplies such as adult diapers, medical equipment like nebulisers, glasses and assistive devices as well as vouchers for food and clothes. The charity's ethos focuses on understanding simple needs that are often overlooked but that are vital in supporting quality of life and resilience for people living with limited means.

Working with children is a key part of the charity's work, especially as the age demographic of Gaza is so young. However, the charity is also aware of the disadvantages faced by the elderly in Gaza and has supported elderly support services, financial aid for elders and protecting their dignity by providing personal hygiene supplies, mobility support and food aid.

With lockdowns and a devastating breakout of Covid-19 in Gaza, the charity mobilised to support families through the provision of hygiene kits, as well as providing food, water and hygiene supplies to

quarantine centres and individuals. With 95% of the water in Gaza unsafe for consumption and with many lacking access to a reliable water supply, the charity also provided water refills for educational centres that act as open public spaces.

IF Charity continued to liaise closely with the medical sector in Gaza and respond to their specific needs as requested for zero-stock medicines and disposables. The charity also supported vulnerable patients with a safe transport bus for hospitals treatments, as well as helping special needs students in lockdown by providing them with braille books at home. Over 60 children were provided with medical support to help them with treatment and surgeries that had been delayed to their family's financial situations.

The charity also focused on community support projects that included job creation and capacity building for other NGOs. The charity also continued to help people with debt relief to prevent imprisonment for non-payment and to facilitate special gift payments for families linked to sponsors.

With the launch of its new [website](#) and a focus on improving the donor journey alongside social media development, the charity has established itself as a trusted expert working on the ground in Gaza.

External Factors Affecting Achievement

Gaza remains a politically sensitive area in which to provide humanitarian aid whilst the siege and humanitarian crisis add additional obstacles and complications. The onset of the Covid-19 Pandemic added a new layer of disadvantage on the ground and also for those trying to do humanitarian work in Gaza.

Banking remains an issue for those working in Gaza, and although donor support increases during times of acute and reported crisis in Gaza, so too does the politicisation of aid and scrutiny on charities. There is a worrying campaign of harassment against charities working in the occupied territories by anti-Palestinian groups, and this has an impact on services and reputation. As such, the trustees remain committed to cooperating with the relevant authorities and experts and ensuring a high level of governance and due diligence to protect the charity.

Plans for the Future:

With the charity undergoing many significant changes in the reporting period, the trustees have invested in a development plan that continues to adapt and ensure the growth of the charity.

For 2021, the strategic objectives of the charity are:

1. Completing the development plan of the charity's operations and securing staff and services
2. Increasing income and engagement with donors and supporters
3. Increasing visibility and branding of the charity including via local representatives
4. Improving governance and strengthening the charity's position

Financial review

During the year, the charity received a total income of £2,198,280 (2019: £1,217,714). Of the total funds received, £1,072,911 of the funds was restricted and £1,125,369 was received as unrestricted funds. All funds were allocated to the charity's specific aid programmes in Gaza. The increase in funding highlights the growth of the charity as a trusted expert working in Gaza for donors.

The total funds expended amounted to £1,658,111 (2019: £1,427,365). This includes the sum of £1,622,326 (2019: £1,395,852) expended on charitable activities, representing 98% of the total expenditure. A total amount of £1,013,435 was expended for the Gaza Relief Programme (which is 62% of direct charitable spending); £57,751 for Medical Aid (4% of charitable spending), £12,014 (1% of charitable spending) for the Education Aid Projects and £539,126 (33% of total charitable spending) for the Community Support Programme.

The cost of raising funds amounted to £35,785 (2019: £31,513), which is 2% of the total expenditure.

The total amount carried forward to be expended in the following year as part of the restricted funds amounted to £320,451. The unrestricted amount carried forward amounted to £838,798.

The trustees have reviewed the financial position and are committed to continuing the positive growth of the charity.

Investment Policy

The trustees have the power to invest in assets as they see fit. In practice, investment activity is limited to placing surplus cash funds in short-term deposits with the charity's bankers. The aim is to ensure some return to the charity that minimises risk and ensure access to the funds in a cost effective manner.

Reserves Policy

The trustees have established a policy whereby the unrestricted funds not committed or invested are maintained at a level that allows the charity to operate as a going concern for at least one year. The actual unrestricted reserves carried forward for the year amounted to £838,798, which is sufficient for the purpose of covering operational costs and planned charitable expenditure.

Going Concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. This assessment has been made on the basis of the review of the financial position and the operational risks. The trustees are satisfied that the financial position of the charity is sound with the appropriate safeguards in place.

Statement of trustees' responsibilities in relation to financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

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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 income and expenditure 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 accounting 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.

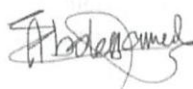
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

The trustees confirm that as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Approved by the trustees and signed on its behalf by:



Abdessamed El Haouari
Trustee

Date: 14/12/2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF IF CHARITY

Qualified Opinion

We have audited the financial statements of IF Charity (the "Charity") for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st 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;
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

Our qualified audit opinion has arisen for the following matters in relation to our audit of the financial statements for the year ended 31st December 2020:

1. Included in support costs are wages and salaries of £13,003 for the year ended 31st December 2020 and for these employees, the Charity received grants from HM Revenue & Customs relating to Coronavirus Job Retention Scheme (CJRS) of £5,154 during the year. We have been unable to verify the employees to whom these salaries were paid as we have not been provided with personnel records and other evidence that would support the management's claim that these employees benefited the charity.

Due to the limitation of scope imposed, we were unable to obtain sufficient and appropriate audit evidence to be able to form an opinion as to whether the individuals on payroll were employees of the charity.

2. The financial statements do not include bank transactions for the period 25th September to 31st December 2020. The Charity was unable to obtain statements and record the transactions due to its access being blocked by the financial institution. The Charity is unable to gain access to the records or explanations required to substantiate balances and transactions for this bank account.

We also requested direct confirmation from the bank to verify the year-end balance and to ascertain if there were any transactions in the period mentioned above, however this was not provided by the bank.

We are therefore unable to conclude that the information within these financial statements for the current period are free from material error or misstatement as we cannot confirm if the amounts excluded are material in the context of the overall financial statements.

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

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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 trustee's 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 trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

Arising solely from the limitation on the scope of our work relating to payroll costs and access to bank transactions, referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
- We were unable to determine whether adequate accounting records have been kept; and
- The financial statements are not in agreement with the accounting records and returns.

Except for the matter described in the basis for qualified opinion section of our report, 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' Annual Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 they 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 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:

- We enquired of the management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We identified the laws and regulations applicable to the charity through discussions with the management, and from our commercial knowledge and experience of the charity sector, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity.
- We 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 inspected the minutes of meetings of the Board of Trustees.
- We reviewed any reports made to the Charity Commission.
- We inquired of management of any complaints raised by donors, beneficiaries, representatives in the UK and in the areas of operation abroad.
- We agreed the financial statement disclosures to underlying supporting documentation.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

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- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments to identify unusual transactions and investigated significant transactions that are unusual or those outside the normal course of business.

There are inherent limitations in our audit procedures described above. There is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. 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 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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.

M Akram & Co

M Akram & Co
Statutory Auditor
Chartered Accountants
413 Lea Bridge Road
London
E10 7EA

Date: 14-11-2021

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Statement of Financial Activities for the Year Ended 31 December 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Income from:					
Donations and grants		1,125,369	1,072,911	2,198,280	1,212,893
Investments		-	-	-	4,821
Total income		1,125,369	1,072,911	2,198,280	1,217,714
Expenditure on:					
Charitable activities	2	440,511	1,181,815	1,622,326	1,395,852
Raising funds	3	35,785	-	35,785	31,513
Total expenditure		476,296	1,181,815	1,658,111	1,427,365
Net income/(expenditure)		649,073	(108,904)	540,169	(209,651)
Reconciliation of funds:					
Total funds brought forward		189,725	429,355	619,080	828,731
Total funds carried forward		838,798	320,451	1,159,249	619,080

There are no recognised gains and losses other than those passing through the Statement of Financial Activities. All income and expenditure is derived from continuing activities. The notes on pages 17 -20 form an integral part of these financial statements.

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Balance Sheet as at 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed Assets					
Tangible Assets	5		172		229
Current Assets					
Debtors	6	1,040,252		625,541	
Cash at bank and in hand		<u>137,005</u>		<u>4,645</u>	
		1,177,257		630,186	
Creditors: amounts falling due within one year	7	<u>(18,180)</u>		<u>(11,335)</u>	
Net Current Assets			<u>1,159,077</u>		<u>618,851</u>
Net Assets			<u><u>1,159,249</u></u>		<u><u>619,080</u></u>
Funds					
Restricted	8		320,451		429,355
Unrestricted	9		<u>838,798</u>		<u>189,725</u>
Total Funds			<u><u>1,159,249</u></u>		<u><u>619,080</u></u>

These financial statements were approved by the Board of Trustees and signed on their behalf by:



Abdessamed El Haouari
Trustee

Date: 14/12/2021

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Statement of Cash Flows for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
Net cash provided by/(used in) operating activities	11	132,360	(827,981)
Cash flows from investing activities:			
Purchase of fixed assets		-	-
Net cash used in investing activities		-	-
Change in cash and cash equivalents in the year		132,360	(827,981)
Cash and cash equivalents brought forward		4,645	832,626
Cash and cash equivalents carried forward	12	137,005	4,645

Notes forming part of the financial statements for the year ended 31 December 2020

1. Accounting Policies

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and 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) - (Charities SORP FRS 102) (as updated through second edition – October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

b) Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102.

c) Going concern

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

d) Fund accounting

Funds held by the Charity are:

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

Restricted funds – These are funds that can only be used for particular restricted purposes within the objectives of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

e) Income recognition

All income is recognised once the charity has an entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and grants are recognised in the period in which the charity is entitled to receipts where the amount can be measured reliably. The income from charitable and fundraising activities are shown gross with the associated costs included in the expenditure.

Gifts in kind such as fixed assets donated to the charity are included as donations at the value to the charity where this can be quantified.

Investment profits on funds held on deposits are included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the profit paid by the bank.

Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

Government Grants in relation to Coronavirus Job Retention Scheme (CJRS) are recognised when the grant proceeds are received or receivable.

Funds received as agents under the MOU are recorded and accounted for in accordance with the Charities SORP FRS 102 as applicable.

f) Volunteers and other donated services

The charity has not received any donated services and facilities during the year. The value of the time and services provided by volunteers is not incorporated into these financial statements in accordance with the Charities SORP FRS 102.

g) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on accrual basis. Funds expended are allocated to the particular activity where the cost relates directly to that activity. However the indirect and overhead costs of the central function including the operational and support costs have been apportioned to the charitable and fundraising activities in proportion to the direct expenditure incurred. Expenditure incurred on raising funds relates to the costs expended on attracting donations and other fundraising costs including printing, mailing and donation processing charges. Charitable expenditure comprises of those costs incurred by the charity in the delivery of its aid programme 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.

h) Tangible fixed assets

Tangible fixed assets costing more than £100 are capitalised and included at cost, including any incidental expenses of acquisition. Depreciation is provided, after taking account of any grants receivable, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a reducing balance basis over the expected useful life, as follows:

Fixtures, fittings and equipment - 25% per annum on reducing balance basis

Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

i) Taxation

As a registered charity there is no liability to tax. Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it related is incurred and is allocated as part of the expenditure to which it relates.

j) Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors and provisions

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

n) 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.

Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

o) Analysis of Staff

No employees had emoluments over £60,000 (2019 - none). During the year the charity employed four staff members.

2. Charitable Activities

The amount payable in the year comprises:

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Gaza Relief Programme	333,278	680,157	1,013,435	1,014,446
Gaza Medical Fund	-	57,751	57,751	49,797
Gaza Education Projects	-	12,014	12,014	52,252
Community Support Programme	107,233	431,893	539,126	279,357
	440,511	1,181,815	1,622,326	1,395,852

The charity has developed its specific aid delivery mechanism, which includes working with a number of partner organisations in the field. Delivery to the end beneficiaries is carried out under the direct control of the charity and monitored by professional representatives in line with the charity's policies and due diligence procedures.

Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

3. Expenditure on Raising Funds

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Bank charges	5,163	-	5,163	403
Fundraising events	-	-	-	180
Printing and advertising	31,016	-	31,016	2,065
Operational and support cost allocation	(394)	-	(394)	28,865
	35,785	-	35,785	31,513

4. Operational and Support Costs

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
IT and related services	6,725	-	6,725	4,079
Outsourced support services	20,153	-	20,153	15,300
Depreciation	57	-	57	76
Accountancy fees	6,700	-	6,700	4,500
Audit fees	4,500	-	4,500	3,200
Rent and other related costs	844	-	844	1,614
Telephone	945	-	945	96
Wages and Salaries	13,003	-	13,003	-
Exchange differences	(58,177)	-	(58,177)	-
	(5,250)	-	(5,250)	28,865

Allocation of Operational and Support Costs

These charitable operations and support costs refer to funds expended to deliver aid programmes and fulfil the objectives of the charity. These include central function costs and have been apportioned to unrestricted charitable and fundraising activities in proportion to the direct unrestricted expenditure incurred.

Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

5. Tangible Fixed Assets

	Fixtures, fittings and equipment
	£
Cost	
At 1 January 2020	2,975
At 31 December 2020	<u>2,975</u>
Depreciation	
At 1 January 2020	2,746
Charge for the year	57
At 31 December 2020	<u>2,803</u>
Net book value	
At 31 December 2020	<u>172</u>
At 31 December 2019	<u>229</u>

6. Debtors

	2020	2019
	£	£
Project Funds	454,533	615,454
Other debtors	585,719	10,087
	<u>1,040,252</u>	<u>625,541</u>

Project funds are restricted funds which have been delivered to partners in our areas of operations in order to be expended as specified by the trustees in line with the process.

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Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

7. Creditors - amounts falling due within one year

	2020 £	2019 £
Accruals	18,180	10,100
Other Creditors		1,235
	<u>18,180</u>	<u>11,335</u>
	=====	=====

8. Restricted Funds

	Balance at 1 January 2020 £	Incoming Funds £	Outgoing Funds £	Balance at 31 December 2020 £
Gaza Relief Programme	184,214	584,911	680,157	88,968
Gaza Medical Fund	35,411	57,500	57,751	35,160
Gaza Education Projects	117,224	-	12,014	105,210
Community Support Programme	92,506	430,500	431,893	91,113
	<u>429,355</u>	<u>1,072,911</u>	<u>1,181,815</u>	<u>320,451</u>
	=====	=====	=====	=====

9. Unrestricted Funds

	General Funds £
Balance at 1 January 2020	189,725
Net income	649,073
Balance at 31 December 2020	<u>838,798</u>
	=====

Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

10. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Balance at 31 December 2020
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Fixed assets	172	-	172
Current assets	856,806	320,451	1,177,257
Current liabilities	(18,180)	-	(18,180)
Total net assets	<u>838,798</u>	<u>320,451</u>	<u>1,159,249</u>

11. Reconciliation of Net Expenditure to Net Cash Flow from Operating Activities

	Total 2020 £	Total 2019 £
Net income/(expenditure) for the reporting period	540,169	(209,651)
Depreciation	57	76
Decrease/(increase) in debtors	(414,711)	(625,541)
Increase in creditors	6,845	7,135
Net cash provided by/(used in) operating activities	<u>132,360</u>	<u>(827,981)</u>

Notes forming part of the financial statements for the year ended 31 December 2020 (cont.)

12. Analysis of Cash and Cash Equivalents

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	4,645	132,360	137,005
Total cash and cash equivalents	4,645	132,360	137,005

13. Related Party Transactions and Trustees Remuneration

The trustees received no remuneration during 2020 (2019 - nil). During the year £ nil (2019 - nil) were incurred for all trustees' travel and subsistence, either by direct payment or reimbursement.

During the year, there were no related party transactions.