

Charity Registration No. 215398

BRITISH EMUNAH FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

BRITISH EMUNAH FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs. R Selby, Chair of Trustees Mrs. M. Hirschfield Mrs. C Compton Lady E Sacks Mr. L Markham
Charity number	215398
Principal address	Shield House Harmony Way, off Victoria Road London NW4 2DR
Honorary Life President	Lady E. Sacks
Honorary President	Mrs. V. Mirvis
Auditor	Landau Morley LLP York House Empire Way Wembley Middlesex HA9 0FQ
Bankers	Barclays Bank Pic 126 Station Road Edg ware Middlesex HA8 7RY

BRITISH EMUNAH FUND

CONTENTS

	Page
Trustees' report	1 - 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 - 22

BRITISH EMUNAH FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees present their report and financial statements for the year ended 31 December 2017.

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)" (as amended for accounting periods commencing from 1 January 2016).

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 disadvantage. 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 2017

Achievements and performance

Our fundraising work this year once again continues in the tradition of the wonderful women who began the charity 85 years ago. Recognising the vital needs of vulnerable children, a group of remarkable women eighty five years ago 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. They raised money and they provided 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 eight and a half 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. Our wonderful Emunah Groups around the country have raised millions over the years and have been able to improve the lives of thousands of children. Our generous donors and supporters have played their vital role too and thousands of young lives have been transformed as a result.

This year saw the continuation of the appeal for a major refurbishment project at the Sarah Herzog Children's Centre in Afula. The Beit Rothschild building is the oldest on the Afula campus at nearly seventy years old and despite renovations over many years, it now needs to be completely reconfigured to bring it up to modern standards. This is a £350,000 project with the first NIS 500,000 of funding being matched by an Israeli organisation. The changes in Israeli government policy had resulted in fewer children being placed in all-residential children's homes, as younger children are first being placed with foster families. The Israeli Government subsequently changed policy again meaning younger children can again be placed in residential homes but demanding smaller age differentiated homes. Emunah in Israel is assessing the long term impact of this policy change and British Emunah is reviewing the situation regularly.

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 about the expansion of the service, with support from the local Mayor of Sderot who highly values the services provided by the centre. There are currently waiting lists for all of the therapies and counselling services that the centre provides. A possible site for a newly enlarged centre had been identified but after some consideration was deemed unsuitable. An extension of the existing buildings was also considered but would be relatively small in size so a new further potential site has now been found with the support of the local council. Significant funds have been pledged towards this project but further fundraising is needed and work on this project's development continues.

In the UK our on-line Ebay shop, where donated goods can be sold to the world, has continued to operate with some success. This volunteer-led initiative generates significant proceeds from across the world, and has brought in volunteers who help with on-line listing, packaging and sourcing of goods. It is believed that the general climate of political uncertainty around Brexit has had an effect on eBay sales and donations more generally.

The Functions Committee organised another highly successful Gala Dinner at Guildhall attended by 400 people and raising significant funds. The guest speaker was the journalist and broadcaster Jeremy Vine. Musical entertainment was provided by 2 young men from the British Emunah supported Neve Landy Children's Village in Even Shmuel and a choir with participants from Immanuel College.

This year we had a team of six runners in the London marathon raising more than £12,000. In June a group of 13 women took part in a four-day sponsored trek in the Scottish Highlands, battling terrible weather and raising over £15,000. In July a group abseiled down the Arcelor Mittal Orbit tower in the Queen Elizabeth Olympic Park. Our youngest participant was 16 and our oldest was a remarkable 82! During the year other challenges undertaken by supporters included the Prudential 100-mile Ride London event, the 3 Peaks Challenge, the St Albans Half Marathon and the annual Gan Yachad Pedal Push.

BRITISH EMUNAH FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

The Emunah Gentlemen's Luncheon Club continues to meet regularly as does the Emunah Book circle; both raise funds and awareness of Emunah's work. The Rosh Hashanah and Pesach appeals were again successful and the charity also benefitted throughout the year from supporters who 'Shared their Simcha' asking for donations to Emunah instead of gifts when celebrating a simcha or special occasions.

Income from Emunah groups continues to be an important source of funds with many dedicated members working hard to organise events across the country. Income from the 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 newly formed CHIC Committee (Caring Hearts for Israel's Children) has proved very successful organising two very well attended events and raising much needed funds to support the refurbishment of Beit Rothschild in the Sarah Herzog Children's Centre in Afdula. The charity 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 outgoing resources of £44,499 (2016: £646,213). The total incoming resources for the year were £1,041,606 (2016: £1,077,921).

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 2017, the unrestricted reserves amounted to £413,062 (2016: £508,998) and the restricted reserves amounted to £64,741 (2016: £13,305).

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.

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.

Following the appointment of a full-time Director in 2009, the day to day running of the office is her main responsibility as well as her providing professional input into the charity's fundraising activities and strategic development. The Director works closely with the Chairman and the whole of 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.

BRITISH EMUNAH FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Lady E Sacks

Mr. L Markham

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 2017

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: 30 October 2018

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 2017 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 31 December 2017 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 accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 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.

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 auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

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)" 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 Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

BRITISH EMUNAH FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH EMUNAH FUND

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

31 October 2018

**Chartered Accountants
Statutory Auditor**

York House
Empire Way
Wembley
Middlesex
HA9 0FQ

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 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	3	304,179	326,241	630,420	642,876
Charitable activities	4	358,756	51,671	410,427	432,641
Investments	5	759	-	759	2,404
Total income		663,694	377,912	1,041,606	1,077,921
<u>Expenditure on:</u>					
Raising funds	6	128,953	19,165	148,118	173,530
Charitable activities	7	630,677	307,310	937,987	1,550,604
Total resources expended		759,630	326,475	1,086,105	1,724,134
Net (expenditure)/income for the year/ Net movement in funds		(95,936)	51,437	(44,499)	(646,213)
Fund balances at 1 January 2017		508,998	13,304	522,302	1,168,516
Fund balances at 31 December 2017		413,062	64,741	477,803	522,303

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 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	13		17,142		17,325
Investments	14		3		3
			<u>17,145</u>		<u>17,328</u>
Current assets					
Debtors	15	133,304		76,844	
Cash at bank and in hand		381,302		449,401	
		<u>514,606</u>		<u>526,245</u>	
Creditors: amounts falling due within one year	16	(53,948)		(21,270)	
Net current assets			460,658		504,975
Total assets less current liabilities			<u>477,803</u>		<u>522,303</u>
Income funds					
Restricted funds	17		64,741		13,305
Unrestricted funds			413,062		508,998
			<u>477,803</u>		<u>522,303</u>

The financial statements were approved by the Trustees on 30 October 2018

Mrs. R. Selby
Trustee

BRITISH EMUNAH FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(66,758)		(678,909)
Investing activities					
Purchase of tangible fixed assets		(2,100)		-	
Interest received		759		2,404	
Net cash (used in)/generated from investing activities			(1,341)		2,404
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(68,099)		(676,505)
Cash and cash equivalents at beginning of year			449,401		1,125,906
Cash and cash equivalents at end of year			381,302		449,401

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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 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)" (as amended for accounting periods commencing from 1 January 2016). 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 the revaluation of freehold properties and to include investment properties and 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 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.

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.

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.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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 or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation 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.

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.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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.

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.

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.13 Consolidation

The wholly-owned trading subsidiary is a British Emunah Entertains Limited. No consolidated accounts have been prepared incorporating the results of this subsidiary undertaking. The trustees consider that the inclusion of the subsidiary undertaking's results is not material for the purposes of giving a true and fair view.

1.14 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 2017	Total 2016
	£	£	£	£
Donations and gifts	194,886	326,241	521,127	548,946
Legacies receivable	26,224	-	26,224	39,990
Subscriptions	16,710	-	16,710	12,425
Society proceeds	66,359	-	66,359	41,515
	<u>304,179</u>	<u>326,241</u>	<u>630,420</u>	<u>642,876</u>
For the year ended 31 December 2016	<u>222,225</u>	<u>420,651</u>		<u>642,876</u>

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

4 Charitable activities

	2017 £	2016 £
Appeals and fundraising	352,049	369,545
Management charges receivable	24,350	25,688
Ebay shop income	34,028	37,408
	<u>410,427</u>	<u>432,641</u>
Analysis by fund		
Unrestricted funds	358,756	384,551
Restricted funds	51,671	48,091
	<u>410,427</u>	<u>432,642</u>

5 Investments

	2017 £	2016 £
Interest receivable	<u>759</u>	<u>2,404</u>

6 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Fundraising and publicity</u>				
Summer lunch	1,060	-	1,060	1,375
Dinner	89,698	-	89,698	103,638
General appeals and events	38,195	19,165	57,360	35,860
Young Musician Competition	-	-	-	18,134
Afula Trip	-	-	-	14,523
	<u>128,953</u>	<u>19,165</u>	<u>148,118</u>	<u>173,530</u>
	<u>139,395</u>	<u>34,135</u>		<u>173,530</u>

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

7 Charitable activities

	2017 £	2016 £
Printing, postage and stationery	7,211	5,567
Ebay shop expenses	33,735	32,166
Diaries and magazines	21,206	10,052
Advertising and publicity	57,765	33,130
	<u>119,917</u>	<u>80,915</u>
Grant funding of activities (see note 8)	512,586	1,217,531
Share of support costs (see note 9)	305,484	252,158
	<u>937,987</u>	<u>1,550,604</u>

8 Grants payable

	2017 £	2016 £
Grants to institutions:		
Other	<u>512,586</u>	<u>1,217,531</u>

In the year, of the total grants paid, £205,276 (2016: £728,397) related to unrestricted funds and £307,310 (£489,134) 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 2017

9	Support costs	Support costs £	Total 2017 £	Total 2016 £
	Staff costs	158,034	158,034	147,903
	Depreciation	2,284	2,284	5,903
	Accountancy and bookkeeping fees	14,592	14,592	18,034
	Rent, rates and service charges	77,759	77,759	42,809
	Legal	1,300	1,300	47
	Light and heat	2,080	2,080	2,239
	Telephone	3,416	3,416	3,630
	Equipment hire and computer maintenance	21,335	21,335	12,270
	Office stationery	1,457	1,457	2,564
	Insurance	2,337	2,337	2,448
	Bank charges	2,898	2,898	2,233
	Travel and entertaining	1,172	1,172	2,405
	Cleaning, repairs and renewals	2,924	2,924	1,932
	Audit fees	7,560	7,560	6,124
	Staff welfare, training and other	3,296	3,296	1,617
	Consultancy	3,040	3,040	-
		<u>305,484</u>	<u>305,484</u>	<u>252,158</u>

10	Net movement in funds	2017 £	2016 £
	Net movement in funds is stated after charging		
	Depreciation of owned tangible fixed assets	<u>2,284</u>	<u>5,903</u>

11 Trustees

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

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Employees

Number of employees

The average monthly number employees during the year was 8. Of the 8 employees, all but 2 are part time.

	2017 Number	2016 Number
	8	8
Employment costs	2017 £	2016 £
Wages and salaries	139,969	133,581
Social security costs	14,700	14,322
Other pension costs	3,365	-
	158,034	147,903

No employee received remuneration amounting to more than £60,000 during the year.

The key management personnel of the Fund comprise the Trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the company were £58,500.

13 Tangible fixed assets

	Short-term leasehold property £	Office equipment £	Computer equipment £	Database £	Total £
Cost					
At 1 January 2017	24,575	69,676	24,071	18,356	136,678
Additions	-	2,100	-	-	2,100
At 31 December 2017	24,575	71,776	24,071	18,356	138,778
Depreciation and impairment					
At 1 January 2017	24,575	52,729	23,692	18,356	119,352
Depreciation charged in the year	-	1,905	379	-	2,284
At 31 December 2017	24,575	54,634	24,071	18,356	121,636
Carrying amount					
At 31 December 2017	-	17,142	-	-	17,142
At 31 December 2016	-	16,947	378	-	17,325

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

14 Fixed asset investments

			Other investments
Cost or valuation			
At 1 January 2017 & 31 December 2017			3
Carrying amount			
At 31 December 2017			3
At 31 December 2016			3
		2017	2016
Other investments comprise:	Notes	£	£
Investments in subsidiaries		3	3

All the fixed asset investments are held in the U.K.

The wholly owned trading subsidiary is British Emunah Entertains Limited. The company's principal activity is the buying and selling, as a ticket agency, of tickets for theatre, cinema and sporting events.

The Fund owns the entire issued share capital of 2 ordinary shares of £1 each. In the year to 26 December 2017 the company made a profit of £Nil (2016: £6). The company's reserves had a deficit of £78 (2016: £78).

The Fund also owns the entire issued share capital, of 1 ordinary share of £1, of Jewish Princess Limited. The company is dormant.

15 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Amounts due from fellow group undertakings	-	1,060
Other debtors	64,222	30,106
Prepayments and accrued income	69,082	45,678
	<u>133,304</u>	<u>76,844</u>

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	4,532	4,810
Amounts due to fellow group undertakings	721	-
Accruals and deferred income	48,695	16,460
	<u>53,948</u>	<u>21,270</u>

17 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 2017 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 December 2017 £
	13,304	377,912	(326,475)	64,741
	<u>13,304</u>	<u>377,912</u>	<u>(326,475)</u>	<u>64,741</u>

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

18 Analysis of net assets between funds

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Fund balances at 31 December 2017 are represented by:			
Tangible assets	17,142	-	17,142
Investments	3	-	3
Current assets/(liabilities)	395,917	64,741	460,658
	<u>413,062</u>	<u>64,741</u>	<u>477,803</u>

BRITISH EMUNAH FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

19 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:

	2017 £	2016 £
Within one year	24,710	24,710
Between two and five years	98,840	98,840
In over five years	62,080	86,790
	<u>185,630</u>	<u>210,340</u>

20 Related party transactions

The total sum donated by the Trustees and their connected charities was £58,975 (2016: £38,105).

21 Cash generated from operations

	2017 £	2016 £
Deficit for the year	(44,499)	(646,213)
Adjustments for:		
Investment income recognised in statement of financial activities	(759)	(2,404)
Depreciation and impairment of tangible fixed assets	2,284	5,903
Movements in working capital:		
(Increase) in debtors	(56,460)	(11,744)
Increase/(decrease) in creditors	32,676	(24,451)
Cash absorbed by operations	<u>(66,758)</u>	<u>(678,909)</u>

	2017	2016
Direct Charitable Expenditure		
	£	£
Israel Emunah		
Annual contribution	7,200	14,400
Other / sundry	-	14,736
Bride Fund	-	25,000
Contra account	10,180	10,570
World Emunah		
Annual contribution	19,062	17,899
Promotion and sundry contributions	11,133	928
Plaque prizes	320	2,169
Projects:		
Note: The term maintenance, when used in connection with projects, refers to the upkeep of the building and to child and family therapeutic support.		
Beit Lady Brodie, Neve Shaanan, Haifa		
Maintenance	1,250	2,500
Sundry contributions	250	-
Rosh Ha'ayin and Pisgat Ze'ev		
Maintenance	1,750	3,500
Neve Landy Children's Village, Even Shmuel		
Counselling	-	16,463
Building	-	336,593
Refurbishment	-	25,000
Furniture, equipment and computer	-	18,000
Books and barmitzvah celebration	-	9,000
Music therapy	-	1,000
Sundry contributions	24,907	50,370
Sarah Herzog Children's Centre, Afula		
Refurbishment	127,000	-
Books and barmitzvah celebration	-	10,000
Salary - Petting Zoo	4,455	5,940
Counselling and therapy	58,500	78,000
Music therapy	-	1,000
Sundry contributions	-	31,600
The Bertha Grodzinski Webber Day Care Centre Kiryat Gat		
Maintenance	1,750	3,500
Special repairs	-	2,847
Refurbishment	-	29,005
The Miriam Latner Day Care Centre - Modi'in		
Maintenance and repairs	875	1,750
Hilda and Sam Marks Day Care Centre		
Maintenance	1,750	3,500
Rose Wilner Day Care Centre, Netanya		
Maintenance	875	1,750
Amelie Jakobovits Day Care Centre, Kiryat Nordau, Netanya		
Maintenance	875	1,750
Neché Sara Wolfson Vocational High School, Bnei Brak		
Maintenance	7,500	10,000
Sundry Contributions	-	5,000
Plaque prizes	1,345	1,113
Beit Bondt, Netivot		
Joan Melinek Day Care Centre		
Beit Bondt counselling	17,031	16,342
Beit Bondt - DCC Netivot	4,875	4,875

	2017	2016
Nahariya Counselling Centre		
Annual contribution	11,490	-
Beit Weinstein with the Doris and Bertie Black Vocational Training School with the Samuel Silverman Community Centre Bnei Brak		
Furniture, equipment and computer	5,000	-
Maintenance - Weinstein School - Bnei Brak	21,965	29,286
Sundry Contribution - Weinstein School - Bnei Brak	-	7,500
The Martha Miriam Hubert Day Care Centre and Kindergarten and the Emunah Community Centre Rishon Le Zion		
Maintenance	1,000	2,000
Counselling	13,496	21,472
Lesley Gerstler Day Care Centre, Nacham		
Maintenance	3,000	4,000
Refurbishment	-	20,000
The Beit Hilda Day Care Centre, Petach Tikvah		
Maintenance	3,000	4,000
Refurbishment	18,517	-
Beit Esther at Belth Elazraki		
Building	16,425	209,590
The Joseph Wineman Day Care Centre, Beer Sheva		
Maintenance	3,000	4,000
Guggy Grahame Centre, Tiberias		
Maintenance	35,313	-
Counselling	3,797	30,539
Lady J DCC, Akko		
Maintenance	1,000	2,000
Refurbishment	-	39,304
Sderot family counselling		
Counselling and therapy expenses	25,000	25,000
Furniture, equipment and computer	-	2,740
Emergency appeal		
Sundry Payments to Israel		
Sundry contributions	3,200	-
Vital welfare support:		
Food Fund	43,500	58,000
Acco Sharet		
Maintenance	1,000	2,000
	<u>£ 512,586</u>	<u>£ 1,217,531</u>