

Bikur Cholim Gemiluth Chesed Trust
Financial Statements
5 April 2021

HAFFNER HOFF LTD
Accountants & statutory auditor
2nd Floor - Parkgates
Bury New Road
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Bikur Cholim Gemiluth Chesed Trust

Financial Statements

Year ended 5 April 2021

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Bikur Cholim Gemiluth Chesed Trust

Trustees' Annual Report

Year ended 5 April 2021

The trustees present their report and the financial statements of the charity for the year ended 5 April 2021.

Reference and administrative details

Registered charity name Bikur Cholim Gemiluth Chesed Trust

Charity registration number 326019

Principal office 46 Broom Lane
Salford
M7 4FJ

The trustees

D Halberstadt
Y Brysh
D Rhein

Auditor Haffner Hoff Ltd
Accountants & statutory auditor
2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Bankers Nat West Bank Plc
Private Banking Division
11 Spring Gardens
Manchester
M60 2BD

Bikur Cholim Gemiluth Chesed Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Structure, governance and management

Bikur Cholim Gemiluth Chesed Trust is constituted under a trust deed dated 06 January 1982. It is a registered charity number 326019.

Recruitment and appointment of new trustees would be in line with the trust deed and with the consent of the trustees. The criteria set for the suitable candidate would be someone who is sensitive to the needs and demands of the organisation.

There is no chief executive officer. The day to day affairs are undertaken by Mr D Halberstadt on behalf of the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees.

The charity is finding it difficult to source new trustees owing to there being no candidate who are prepared to put in the necessary time, effort and work professionalism while at the same time carrying the legal and financial responsibilities placed upon them on an honorary basis. Therefore, there are no policies for the induction or training of new trustees

Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage our exposure to the major risks.

The risks faced by the trust are principally operational risks from ineffective grant making. These risks are managed by the trustees researching potential beneficiaries before granting donations.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all grants.

Risk management

The Trustees are responsible for the management of the risks faced by the Charity. A formal review of the charity's risk management processes is undertaken on an annual basis.

The key controls used by the charity include:

- Comprehensive strategic planning and budgeting;
- Established organisational structure and lines of reporting;
- Clear authorisation and approval levels.

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Bikur Cholim Gemiluth Chesed Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Objectives and activities

The objects of the charity are for charitable purposes as the trustees may from time to time at their absolute discretion think fit.

Organisation

The trustees who served during the year and since the year-end are set out on page 1. The trustees have the power to appoint further trustees by a simple majority voting system.

Grant making policy

The aim of the trustees is to attempt to balance total incoming resources against total resources expended over the period.

The trustees recognise that this aim can only be achieved within a medium term.

The two main areas of direct charitable activity are:-

1. Direct food support and religious educational grants for families on low income.
2. Direct grants to individuals to support their further religious education.

Grants made during the year to institutions are as detailed in the accounts.

The application of the funds is by way of grants to individuals.

The trustees consider they have met the public benefit test and outline these achievements below.

The trustees measure the success of achieving the stated aims by the number and value of grants paid out for each object. The grants paid out in the year are detailed in the notes to the accounts and the trustees consider they have met their aims successfully this year.

The trustees consider the shorter term aims to be similar to the longer term aims and assess the achievement of the charity in the same way.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year.

Bikur Cholim Gemiluth Chesed Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Achievements and performance

The charity received £936,312 in donations and grants receivable during the year.

The charity paid £1,207,641 by way of grants and support costs as detailed in the notes to the accounts. Grants were awarded to individuals in the year in accordance with the charity's objectives and as detailed in the notes to the financial statements. These grants were made in line with the stated objects of the charity. Below is a detailed summary of the activities that took place during the year by category.

Direct food and household support amounting to £818,712 was paid out during the year. The charity made direct food and other grants to 127 families. This takes the form of direct payments to the local shops on behalf of the individual families, and food vouchers (Tesco, Sainsbury's and Asda vouchers) delivered directly to the recipients. It also includes educational / religious grants amounting to £134,123 in support of the family budget. Even though the trustees are aware that making handouts in this manner takes much time and effort, it is done in this manner to ensure the grants are used for the purpose they are given i.e. food for the family (and not transferable for cash), and that the benefits received from the charity do not affect other national benefits.

Other grants paid out totalling £10,725 have been analysed in the notes to the accounts.

KLB, student educational grants amounting to £383,188 was paid out during the year. The grants were paid to 62 individuals or families. This represents an average of £6,180 per student for the year. These individuals are local students from within the community (mainly going to further their religious education in Israel) who apply in writing for a monthly stipend. Monthly amounts range from £100 to £1,500. The amounts paid are to be used towards the cost of education and the cost of living.

During the year the charity also had investment income receivable from UK investment properties amounting to £74,795 as well as other investment income amounting to £249.

The charity has low governance costs comprising professional fees.

There were no fundraising costs during the year.

There was an overall net expenditure and net movement in funds during the year amounting to £196,992.

Bikur Cholim Gemiluth Chesed Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

Financial review

The trustees feel that the activity reflects the profile and standing within the local community and its continued level of activities is dependent on the ability of the trustees to attract the required funding and the time taken in processing the charity's services under the new stringent regulatory framework. The impact for future year's expenditure is self evident and the trustees would like to record their appreciation for all the financial support received from benefactors during the course of the year.

The charity's investments are mainly within property investment syndicates. It should be noted that the charity is only at risk to the level of its equity in each individual syndicate property as the bank security is limited to each property on its own.

Investment performance

The investments of the charity have improved this year in line with the prevailing investment climate. The gross return on investments was 6%. This is satisfactory when compared to returns on cash deposits or investments in securities on the stock exchange. This does not take into account any potential future capital growth.

The trustees consider this acceptable as mentioned above.

Reserves policy

The Unrestricted Fund represents the unrestricted funds arising from past operating results.

The Trustees are satisfied that the balance of the Fund is an acceptable level of reserves given the nature of revenue receipts against grants payable.

In considering the financial obligations of the charity, the trustees have resolved to maintain a minimum reserve, being the current assets of the charity.

The trustees have considered the fair value of the investment property taking into account the loan to value of the properties as well as the nature and exposure of the syndicate properties. The trustees consider the holding value to be the fair value.

The trustees are delighted to have made many valuable contributions to the community as a result of this income and hope to be able to do so for many years to come.

The free reserves, represented by the net current liabilities of the charity stand at £17,913 all of which are unrestricted. The trustees consider that going concern is not an issue despite the net current liabilities as £386,839 of creditors are interest free loans from one of the trustees who has confirmed that he will not call in his loans to the detriment of the cash flow of the charity.

True and fair override

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charities governing document, The Charities Act 2011 and the relevant version of the 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).

Coronavirus

The impact of coronavirus on the charity in the year for the charity has been a huge reduction in income and associated expenditure, as there were no weddings due to covid restrictions. The wedding scheme was closed for the whole year. The trustees are re-evaluating the situation on an on

Bikur Cholim Gemiluth Chesed Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

going basis.

The trustees consider that going concern is not an issue as expenditure has been reduced to match the reduced income.

Everyone associated with the charity has been working extremely hard to ensure the smooth running of the organisation during this unprecedented situation.

The trustees hope to report on a better set of circumstances next year.

We look forward to the future when we hope things will return to normal or at least as normal as possible once again.

Plans for future periods

The trustees plan to continue investing to raise funds for projects in line with the Trust Deed and pursue those objectives and projects with all the resources available to the charity.

The trustees are well aware of rising living costs above the rate of inflation plus the increase in poverty related issues emanating primarily from the current covid era. The trustees will be looking to increase grants if income allows.

Trustees' responsibilities statement

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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 applicable Charities (Accounts and Reports) Regulations, 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.

Bikur Cholim Gemiluth Chesed Trust

Trustees' Annual Report *(continued)*

Year ended 5 April 2021

The trustees' annual report was approved on 25 January 2022 and signed on behalf of the board of trustees by:

D Halberstadt
Trustee

Bikur Cholim Gemiluth Chesed Trust

Independent Auditor's Report to the Trustees of Bikur Cholim Gemiluth Chesed Trust

Year ended 5 April 2021

Opinion

We have audited the financial statements of Bikur Cholim Gemiluth Chesed Trust (the 'Charity') for the year ended 5 April 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, including its income and expenditure, 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

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.

Bikur Cholim Gemiluth Chesed Trust

Independent Auditor's Report to the Trustees of Bikur Cholim Gemiluth Chesed Trust *(continued)*

Year ended 5 April 2021

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. 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

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 Act 2011 requires 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
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Bikur Cholim Gemiluth Chesed Trust

Independent Auditor's Report to the Trustees of Bikur Cholim Gemiluth Chesed Trust *(continued)*

Year ended 5 April 2021

Auditor's responsibilities for the audit of the financial statements

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:

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:

Auditor's approach to assessing the risks of material misstatement due to irregularities, including fraud Detail the auditor's approach to assessing the risks of material misstatement due to fraud and NOCLAR.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to including:-

- Charity Act 2011 - as this entity is a charity;
- AML provisions - inherent with all organisations.
- FRS 102 reporting framework.
- Data protection
- CJRS

The following particular considerations in respect of fraud were assessed. We assessed the risks of material misstatement in respect of fraud as follows:

- Reviewed unusual or large transactions;
- Complex transactions if applicable;
- Analytical procedures;
- One off transactions.

We made fraud enquiries of during the audit from:-

- Management;
-

Bikur Cholim Gemiluth Chesed Trust

Independent Auditor's Report to the Trustees of Bikur Cholim Gemiluth Chesed Trust *(continued)*

Year ended 5 April 2021

those charged with governance;

other analytical procedures to identify any unusual or unexpected relationships;

the audit team discussions to identify particular areas to misstatement or fraud;

the audit team attempted to identify any fraud risk factors in its discussion of related party relationships and transactions (ISA (UK) 550;

legal counsel as applicable;

Audit procedures designed to respond to the risks of NOCLAR.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

Reviewing the entity's policies and procedures for compliance with those laws and regulations based on our knowledge of the client and the regulations.

Follow up of all suspected non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud that will be fully documented.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Bikur Cholim Gemiluth Chesed Trust

Independent Auditor's Report to the Trustees of Bikur Cholim Gemiluth Chesed Trust *(continued)*

Year ended 5 April 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The firm is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of The Companies Act 2006.

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 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

2nd Floor - Parkgates
Bury New Road
Prestwich
Manchester
M25 0TL

Haffner Hoff Ltd
Accountants & statutory auditor

25 January 2022

Bikur Cholim Gemiluth Chesed Trust

Statement of Financial Activities

Year ended 5 April 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	936,312	936,312	1,261,116
Investment income	5	75,044	75,044	70,944
Total income		<u>1,011,356</u>	<u>1,011,356</u>	<u>1,332,060</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	6	705	705	1,964
Expenditure on charitable activities	7,8	1,207,641	1,207,641	1,462,643
Total expenditure		<u>1,208,346</u>	<u>1,208,346</u>	<u>1,464,607</u>
Net (losses)/gains on investments	11	(2)	(2)	5,439
Net expenditure and net movement in funds		<u>(196,992)</u>	<u>(196,992)</u>	<u>(127,108)</u>
Reconciliation of funds				
Total funds brought forward		1,254,142	1,254,142	1,381,250
Total funds carried forward		<u>1,057,150</u>	<u>1,057,150</u>	<u>1,254,142</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 26 form part of these financial statements.

Bikur Cholim Gemiluth Chesed Trust

Statement of Financial Position

5 April 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	15	1,075,063	1,160,903
Current assets			
Debtors	16	26,101	41,973
Cash at bank and in hand		455,153	569,732
		<u>481,254</u>	<u>611,705</u>
Creditors: amounts falling due within one year	17	<u>499,167</u>	<u>518,466</u>
Net current liabilities		(17,913)	93,239
Total assets less current liabilities		1,057,150	1,254,142
Net assets		1,057,150	1,254,142
Funds of the charity			
Unrestricted funds		1,057,150	1,254,142
Total charity funds	18	1,057,150	1,254,142

These financial statements were approved by the board of trustees and authorised for issue on 25 January 2022, and are signed on behalf of the board by:

D Halberstadt
Trustee

The notes on pages 16 to 26 form part of these financial statements.

Bikur Cholim Gemiluth Chesed Trust

Statement of Cash Flows

Year ended 5 April 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net expenditure	(196,992)	(127,108)
<i>Adjustments for:</i>		
Net (losses)/gains on investments	2	(5,439)
Dividends, interest and rents from investments	(60,795)	(52,201)
Other interest receivable and similar income	(14,249)	(18,743)
Accrued expenses	5,040	–
<i>Changes in:</i>		
Trade and other debtors	15,872	17,000
Trade and other creditors	(24,339)	(64,098)
Cash generated from operations	(275,461)	(250,589)
Interest received	14,249	18,743
Net cash used in operating activities	(261,212)	(231,846)
Cash flows from investing activities		
Dividends, interest and rents from investments	60,795	52,201
Proceeds from sale of subsidiaries	(2)	–
Purchases of other investments	(60,814)	(57,640)
Proceeds from sale of other investments	146,652	112,831
Net cash from investing activities	146,631	107,392
Net decrease in cash and cash equivalents	(114,581)	(124,454)
Cash and cash equivalents at beginning of year	569,732	694,186
Cash and cash equivalents at end of year	455,151	569,732

The notes on pages 16 to 26 form part of these financial statements.

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements

Year ended 5 April 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 46 Broom Lane, Salford, M7 4FJ.

2. Statement of compliance

The accounts (financial statements) have been prepared in accordance with the relevant version of the 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) and The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and 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 relevant version of the 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

3. Accounting policies

Consolidation

The directors and trustees do not consider the cost of preparing consolidated accounts justifiable and note 15 provides adequate details relating to the nature of the trading subsidiary.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

Going concern

There are no material uncertainties about the charity's ability to continue.

Fair value

Debtors and creditors are stated at fair value.

Foreign currency

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported besides the valuation of the investment property.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

3. Accounting policies *(continued)*

Investments in associates *(continued)*

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations & Grants receivable - registered charities, religious & educational establishments	24,945	24,945	23,372	23,372
Grants				
Grants receivable - registered charities, religious & educational establishments	911,367	911,367	1,237,744	1,237,744
	<u>936,312</u>	<u>936,312</u>	<u>1,261,116</u>	<u>1,261,116</u>

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	60,795	60,795	52,201	52,201
Bank interest receivable	249	249	2,189	2,189
Other investment income	14,000	14,000	16,554	16,554
	<u>75,044</u>	<u>75,044</u>	<u>70,944</u>	<u>70,944</u>

6. Investment management costs

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Property insurance and repairs	705	705	1,964	1,964

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Direct food and house hold support	807,987	807,987	831,507	831,507
KLB, student educational grants	383,188	383,188	451,175	451,175
Weddings and newly married support	300	300	148,971	148,971
Youth club administration	–	–	11,490	11,490
Medical and mental health support	3,950	3,950	3,608	3,608
Religious educational literature and incentives and training	253	253	5,520	5,520
Other direct support grants	6,522	6,522	5,270	5,270
Support costs	5,441	5,441	5,102	5,102
	<u>1,207,641</u>	<u>1,207,641</u>	<u>1,462,643</u>	<u>1,462,643</u>

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements (continued)

Year ended 5 April 2021

8. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Direct food and house hold support	807,987	400	808,387	831,567
KLB, student educational grants	383,188	–	383,188	451,175
Weddings and newly married support	300	–	300	148,971
Youth club administration	–	–	–	11,490
Medical and mental health support	3,950	–	3,950	3,608
Religious educational literature and incentives and training	253	–	253	5,520
Other direct support grants	6,522	–	6,522	5,270
Governance costs	–	5,041	5,041	5,042
	<u>1,202,200</u>	<u>5,441</u>	<u>1,207,641</u>	<u>1,462,643</u>

9. Analysis of support costs

	Analysis of support costs £	Total 2021 £	Total 2020 £
General office	400	400	60
Governance costs	5,041	5,041	5,042
	<u>5,441</u>	<u>5,441</u>	<u>5,102</u>

10. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Direct food and house hold support grants	807,987	831,507
KLB, student educational grants	383,188	451,175
Weddings and newly married support grants	300	148,971
Youth club admin and expenses	–	11,490
Medical and mental health support	3,950	3,608
Religious educational literature incentives and training	253	5,520
Other direct support grants	6,522	5,270
	<u>1,202,200</u>	<u>1,457,541</u>
Total grants	<u>1,202,200</u>	<u>1,457,541</u>

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

11. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on investments in group undertakings	(2)	(2)	–	–
Gains/(losses) on other investment assets	–	–	5,439	5,439
	<u>(2)</u>	<u>(2)</u>	<u>5,439</u>	<u>5,439</u>

12. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>5,040</u>	<u>5,040</u>

13. Staff costs

The average head count of employees during the year was Nil (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received or expenses reimbursed by the trustees.

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

15. Investments

	Investment properties £	Shares in group undertakings £	Other investments £	Total £
Cost or valuation				
At 6 April 2020	790,900	2	370,001	1,160,903
Additions	60,814	–	–	60,814
Disposals	(146,652)	–	–	(146,652)
Fair value movements	–	(2)	–	(2)
At 5 April 2021	<u>705,062</u>	<u>–</u>	<u>370,001</u>	<u>1,075,063</u>
Impairment				
At 6 April 2020 and 5 April 2021		–	–	–
Carrying amount				
At 5 April 2021	<u>705,062</u>	<u>–</u>	<u>370,001</u>	<u>1,075,063</u>
At 5 April 2020	<u>790,900</u>	<u>2</u>	<u>370,001</u>	<u>1,160,903</u>

All investments shown above are held at valuation.

Investment properties

Investment property

Investments in UK investment property comprise investments made in various property syndicates in the UK. The percentage holding in these syndicates ranges from 2% to 10%. The charity holds 50% of one of the syndicates and has invoked Para 9.9, 9.9A and 9.9B to account for it with the rest of the syndicates. The trustees exert no significant influence over any of the investment syndicates.

Valuation of UK investment property is market (fair) value in the opinion of the trustees.

Other investments

Other investments represents a property wholly owned by the charity and is valued at fair value.

The property is being used for social housing purposes with a sitting tenant claiming housing benefit. With this in mind the trustees have decided this year not to revalue the property at open market value.

16. Debtors

	2021	2020
	£	£
Other debtors	<u>26,101</u>	<u>41,973</u>

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	10,080	5,040
Loans	386,839	391,044
Other creditors	102,248	122,382
	<u>499,167</u>	<u>518,466</u>

Included in loans above are charitable loan debtors to individuals that the trustees consider to be charitable but are aware that they might not be considered charitable by the Charity Commission. The trustees have therefore transferred these loans against their loan account.

18. Analysis of charitable funds

Unrestricted funds

	At 06 Apr 2020 £	Income £	Expenditure £	Gains and losses £	At 05 Apr 2021 £
General funds	1,254,142	1,011,356	(1,208,346)	(2)	1,057,150

	At 06 Apr 2019 £	Income £	Expenditure £	Gains and losses £	At 05 Apr 2020 £
General funds	1,381,250	1,332,060	(1,464,607)	5,439	1,254,142

19. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Investments	1,075,063	1,075,063
Current assets	481,254	481,254
Creditors less than 1 year	(499,167)	(499,167)
Net assets	<u>1,057,150</u>	<u>1,057,150</u>

	Unrestricted Funds £	Total Funds 2020 £
Investments	1,160,903	1,160,903
Current assets	611,705	611,705
Creditors less than 1 year	(518,466)	(518,466)
Net assets	<u>1,254,142</u>	<u>1,254,142</u>

Bikur Cholim Gemiluth Chesed Trust

Notes to the Financial Statements *(continued)*

Year ended 5 April 2021

20. Analysis of changes in net debt

	At 6 Apr 2020	Cash flows	At 5 Apr 2021
	£	£	£
Cash at bank and in hand	569,732	(114,579)	455,153

21. Related parties

Mr D Halberstadt, trustee of Bikur Cholim Gemiluth Chesed Trust, lent monies to the charity during the year as in previous periods on an interest free basis. The balance due at the year-end collectively was £386,838.

22. Taxation

Bikur Cholim Gemiluth Chesed Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.