

**REPORT OF THE TRUSTEES AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**  
**FOR**  
**FRIENDS OF THE UNITED INSTITUTIONS OF**  
**ARAD**

Raffingers LLP  
Chartered Certified Accountants  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

**FRIENDS OF THE UNITED INSTITUTIONS OF**  
**ARAD**

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**for the year ended 30 June 2021**

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**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**REPORT OF THE TRUSTEES  
for the year ended 30 June 2021**

The trustees present their report with the financial statements of the charity for the year ended 30 June 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects of the charity are:

- (i) Advancement of the Orthodox Jewish Faith, in particular by the support of institutions propagating its religious teaching and other charitable purposes in the UK or any other part of the world;
- (ii) the advancement of Orthodox Jewish religious education;
- (iii) the relief of poverty and sickness and the advancement of education amongst persons of the Jewish faith;
- (iv) such other charitable objects or charitable purposes as the charity may from time to time determine.

**Significant activities**

The charity provides grants to charities with similar objectives.

**Public benefit**

The board referred to the guidance contained in the Charity Commission's general guidance on public benefit, and 'The Advancement of Religion for the Public Benefit' in particular, when reviewing the aims and objectives and in planning the charity's future activities. In particular, the trustees consider how the planned activities will contribute to the aims and objectives set.

**Grantmaking**

In general the trustees support charities with a particular affinity to the city of Arad, however they are always prepared to accept any application which will be carefully considered and assistance given according to circumstances and funds then available.

**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

The charity provides grants to qualifying institutions and individuals. During the year, the charity made grants totalling £378,380 (2020 - £461,900).

The charity's grants are used towards the development of the city of Arad, located in the eastern Negev desert of Israel, and related projects. Monies donated during the year have been used for the following projects:

- The refurbishment of a child daycare centre;
- The running of a network of schools and educational facilities including kindergartens, primary schools and high schools;
- The maintenance and refurbishment of synagogues and other religious facilities;
- Daily distribution of basic food products to hundreds of families;
- Additional support for the poor and needy during religious holiday periods, by distributing groceries and subsidised items;
- Providing financial assistance to newly married couples who require it.

**FINANCIAL REVIEW**

**Financial position**

The financial results for the year to 30 June 2021 are shown in the attached financial statements.

Total income decreased from £471,000 to £384,693 and total expenditure decreased from £475,786 to £387,013 in comparison with the previous period.

There was a net decrease in funds of £2,320 (2020 - £4,786) and the charity had reserves of £9,805 (2020 - £12,125) at the year end.

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**REPORT OF THE TRUSTEES  
for the year ended 30 June 2021**

**FINANCIAL REVIEW**

**Reserves policy**

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are needed to bridge the funding gaps between spending on activities and receiving resources through voluntary income. The trustees consider that the ideal level of reserves as at 30 June 2021 would be three months of resources expended which equates to approximately £100,000. However the trust is operated as a grant making charity, and the trustees' policy is to seek to only distribute or commit funds based on the income arising in each financial year.

The charity had free reserves of £9,805 at the year end. In calculating the reserves, the trustees have excluded from total funds any restricted income funds.

The trustees are actively pursuing sources of funding in order to ensure that there are sufficient reserves to provide for future financial stability and flexibility to help with charitable activities.

**FUTURE PLANS**

The charity plans to continue giving grants to support the residents of the town of Arad and charities with similar objectives.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity was established under a declaration of Trust dated 3 June 1991.

The charity is registered with the Charity Commission (Charity Registration Number 1012222) and is governed by its trust deed.

**Recruitment and appointment of new trustees**

The trustees are selected for their knowledge and expertise in the areas that the charity operates in. The trustees ensure that the recruitment process comply with any specific requirements set out in the charity's governing document. New trustees undergo a formal vetting process before appointment.

**Organisational structure**

The board of trustees administers the charity. The board meets quarterly. The day to day management of Friends of the United Institutions of Arad is delegated by the trustees to the Principal.

**Induction and training of new trustees**

Any new trustee will be fully briefed on the history of the trust, and its objectives and plans, as well as the management and operational processes. Trustees can retire when they wish as they do not serve under a fixed term of tenure.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

1012222

**Principal address**

Avon House  
2 Timberwharf Road  
London  
N16 6DB

**Trustees**

Mr I Moskovitz  
Mr D Stobiecki  
Mr M Pesach

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**REPORT OF THE TRUSTEES  
for the year ended 30 June 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent Examiner**

Raffingers LLP  
Chartered Certified Accountants  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

**Principal bankers**

National Westminster Bank Plc  
Western Avenue  
Waterside  
Chatham Marine  
Kent  
ME4 4RT

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
Mr I Moskovitz - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**  
**FRIENDS OF THE UNITED INSTITUTIONS OF**  
**ARAD**

**Independent examiner's report to the trustees of Friends of The United Institutions of Arad**

I report to the charity trustees on my examination of the accounts of Friends of The United Institutions of Arad (the Trust) for the year ended 30 June 2021.

**Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCCA which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mr Thurairatnam Sudarshan  
FCCA  
Raffingers LLP  
Chartered Certified Accountants  
19-20 Bourne Court  
Southend Road  
Woodford Green  
Essex  
IG8 8HD

Date: .....

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the year ended 30 June 2021**

	Notes	2021 Unrestricted fund £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies		384,693	471,000
 <b>EXPENDITURE ON</b>			
Raising funds		1,747	1,914
<b>Charitable activities</b>	2		
Relief of poverty, advancement of religion and education		385,266	473,872
 <b>Total</b>		387,013	475,786
 <b>NET INCOME/(EXPENDITURE)</b>		(2,320)	(4,786)
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		12,125	16,911
 <b>TOTAL FUNDS CARRIED FORWARD</b>		9,805	12,125

The notes form part of these financial statements

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**BALANCE SHEET**  
**30 June 2021**

	Notes	2021 Unrestricted fund £	2020 Total funds £
<b>CURRENT ASSETS</b>			
Cash at bank		14,173	16,253
<b>CREDITORS</b>			
Amounts falling due within one year	5	(4,368)	(4,128)
<b>NET CURRENT ASSETS</b>		9,805	12,125
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,805	12,125
<b>NET ASSETS</b>		9,805	12,125
<b>FUNDS</b>			
Unrestricted funds	6	9,805	12,125
<b>TOTAL FUNDS</b>		9,805	12,125

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....  
Mr I Moskovitz - Trustee

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2021**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

**Assessment of going concern**

The trustees of the charity have not identified any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are included in the period when any relevant conditions are met by the receiving entity. Payment of later instalments of a grant usually requires satisfactory progress reports from the project.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Charitable activities**

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Governance costs**

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to the strategic management of the charity.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 June 2021**

**1. ACCOUNTING POLICIES - continued**

**Creditors and provision**

Creditors and provision are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provision are recognised at the moment the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payments where such discounting is material.

**Financial instruments**

The charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

**2. CHARITABLE ACTIVITIES COSTS**

	Grant funding of activities (see note 3) £	Support costs £	Totals £
Relief of poverty, advancement of religion and education	378,380	6,886	385,266

**3. GRANTS PAYABLE**

	2021 £	2020 £
Relief of poverty, advancement of religion and education	378,380	461,900

The total grants paid to institutions during the year were as follows:

Maor Hadarom	£100,000
Torah and Educational Gur Institutions of Arad	£278,380
Total	£378,380

**4. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30 June 2021 nor for the year ended 30 June 2020.

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 June 2021**

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Other creditors	4,368	4,128
	<u>4,368</u>	<u>4,128</u>

**6. MOVEMENT IN FUNDS**

	At 1.7.20	Net movement in funds	At 30.6.21
	£	£	£
<b>Unrestricted funds</b>			
General fund	12,125	(2,320)	9,805
	<u>12,125</u>	<u>(2,320)</u>	<u>9,805</u>
<b>TOTAL FUNDS</b>	<u>12,125</u>	<u>(2,320)</u>	<u>9,805</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	384,693	(387,013)	(2,320)
	<u>384,693</u>	<u>(387,013)</u>	<u>(2,320)</u>
<b>TOTAL FUNDS</b>	<u>384,693</u>	<u>(387,013)</u>	<u>(2,320)</u>

**Comparatives for movement in funds**

	At 1.7.19	Net movement in funds	At 30.6.20
	£	£	£
<b>Unrestricted funds</b>			
General fund	16,911	(4,786)	12,125
	<u>16,911</u>	<u>(4,786)</u>	<u>12,125</u>
<b>TOTAL FUNDS</b>	<u>16,911</u>	<u>(4,786)</u>	<u>12,125</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	471,000	(475,786)	(4,786)
	<u>471,000</u>	<u>(475,786)</u>	<u>(4,786)</u>
<b>TOTAL FUNDS</b>	<u>471,000</u>	<u>(475,786)</u>	<u>(4,786)</u>

**FRIENDS OF THE UNITED INSTITUTIONS OF  
ARAD**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 June 2021**

**7. RELATED PARTY DISCLOSURES**

No material transactions with related parties took place during the year.