

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021
FOR
FRIENDS OF ACHIEZER ARAD

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

FRIENDS OF ACHIEZER ARAD

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for the year ended 5 April 2021

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FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES **for the year ended 5 April 2021**

The Trustees present their report with the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities'.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees stand possessed of the Trust Fund upon trust to pay or apply the whole of the income and the capital of the Trust Fund to or towards or in furtherance or for the benefit of such one or more charities, charitable institutions or charitable purposes in any part of the world in such shares and in such manner as the Trustees in their absolute discretion may from time to time determine and in particular for the relief of poverty, provided always that:

a) The Trustees shall have power if they so think fit to make payments direct to individual persons in any part of the world and in particular in the town of Arad, Israel (provided that such persons shall qualify as charitable beneficiaries according to English Law) and shall not be limited to making payments to organisations or institutions.

b) Nothing herein contained shall empower or authorise the Trustees to apply any part of the Trust Fund or the income thereof other than for the purposes which are charitable according to English Law.

Grantmaking

The Trustees welcome applications from the general public and seek to make donations and loans which meet the charity's objectives and satisfy the principals set out within the Trust Deed.

The Trustees meet regularly to consider applications and approve these based on the merits and circumstances of the cause. Where necessary, the Trustees will meet applicants face to face to explore the most effective way of providing assistance.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Trustees exercise their powers to support individuals and organisations that qualify as charitable beneficiaries according to English Law.

Monies are raised by way of charitable donations received from corporate donors, individuals and other Registered Charities as well as income from investments.

During the year under review income increased from £329,783 to £355,609. Expenditure decreased from £1,041,914 to £496,977. The charity paid grants totalling £381,312 (2020 - £905,297) during the year. The cost of raising funds decreased from £118,252 to £98,391.

FINANCIAL REVIEW

Investment policy and objectives

Investments are made only once the Trustees have taken advice from professional advisors. In order to maximise income whilst retaining access to funds, remaining funds, when available, are invested until they are distributed to charitable beneficiaries. The Charity has drawn down a bank loan to fund the shortfall of the cost of the investments.

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 donations. The trustees consider that the ideal level of reserves as at 5 April 2021 would be three months of resources expended which approximates to £120,000.

At the year end free reserves were £1,813,984 and total reserves were £5,786,084. The trustees intend to distribute the funds in the near future.

FUTURE PLANS

The Friends of Achiezer Arad Trust will continue to support other charitable institutions or charitable purposes in any part of the world to promote poverty and hardship alleviation programmes.

FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES **for the year ended 5 April 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is constituted under a Declaration of Trust dated 5 March 1990 and was registered with the Charity Commission on 4 July 1990 under Registered Charity Number 803548.

Recruitment and appointment of new trustees

The Articles of Association stipulate that there must be a minimum of three trustees and there is no maximum number of trustees. Additional trustees may be appointed by the existing trustees at any time, either to fill a casual vacancy or as an addition to the existing trustees. Any trustees so appointed will hold office only until the next Annual General Meeting and will then be eligible for re-election.

No trustee had any beneficial interest in any contract with the charitable entity during the year.

Potential trustees are invited to informally attend trustee meetings prior to appointment and a comprehensive induction programme is available. Additionally individual trustees may undertake external training in a particular area of their role on the Governing Body.

Organisational structure

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

Induction and training of new trustees

The charitable entity strives to ensure equal opportunities and diversity in the employment of staff and trustee appointments. Selection criteria and procedures are regularly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

Risk management

Covid-19

The Covid 19 pandemic which has had a significant social and economic impact on communities worldwide, resulted in an increased demand for assistance. The trustees adapted their activities to comply with government's policies and guidance and were able to raise sufficient funds to enable them to continue their work.

Wider network

At present Friends of Archiezer Arad does not consider itself part of a wider network.

Risk management

The Trustees regularly undertake a review of the major risks to which the Charity is exposed, and systems designed to mitigate those risks are considered on an ongoing basis.

There are two major risks that have been identified by the Trustees. A significant proportion of the investment properties are held under the terms of an endowment made to the charity. A fall in property values and rental income could effect the operations of the charity. The Trustees feel that the risk is mitigated by their expertise in the property market, which would allow them to protect the interests of the Charity.

The Trustees spend a large amount of their personal time ensuring that the property investment portfolio is run on a professional basis. They also have the assistance of Avon Estates, a professional property management business, who provide their services on a pro bono basis.

Another risk that has been identified by the Trustees is that of misappropriation of funds. This has been mitigated by ensuring that all outgoing cheques require the signature of two of the Trustees.

The charity has systems in place to ensure that any existing or potential trustees are not disqualified from acting as a trustee.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

803548

FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES **for the year ended 5 April 2021**

Principal address

Avon House
2 Timberwharf Road
London
N16 6DB

Trustees

Mr I Moskovitz
Mrs C Moskovitz
Mr S Reich

Auditors

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

Bankers

National Westminster Bank Plc
135 Bishopsgate
London
EC2M 3UR

PUBLIC BENEFIT REPORT

The trustees have 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 aim and objectives and in planning the charity's future activities. The aims of the charitable company for the public benefit are detailed in the 'Objectives and Activities' section of this report and the main activities undertaken in order to carry out the charitable company's aims for the public benefit are outlined under 'Achievements and Performance' above.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES
for the year ended 5 April 2021

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

.....
Mr I Moskovitz - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF ACHIEZER ARAD**

Opinion

We have audited the financial statements of Friends of Achiezer Arad (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF ACHIEZER ARAD

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF ACHIEZER ARAD**

Our 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 a Report of the Independent Auditors 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:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); Data Protection Legislation; The Code of Fundraising Practice; and tenancy and landlord regulations as they affect the direct charitable activities of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where necessary.

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

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

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

- performed analytical procedures to identify any unusual or unexpected transactions;
- tested the appropriateness of journal entries;
- tested authorisation of expenditure;
- assessed whether judgements and assumptions made in determining the accounting estimate for the valuation of properties were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
FRIENDS OF ACHIEZER ARAD

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.

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

Date:

Raffingers LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

FRIENDS OF ACHIEZER ARAD

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 5 April 2021

	Notes	Unrestricted funds £	Endowment fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	23,803	-	23,803	48,189
Investment income	3	331,806	-	331,806	281,594
Total		<u>355,609</u>	<u>-</u>	<u>355,609</u>	<u>329,783</u>
EXPENDITURE ON					
Raising funds	4	98,391	-	98,391	118,252
Charitable activities	5				
Relief of poverty, advancement of education and furtherance of religion		398,586	-	398,586	923,662
Total		<u>496,977</u>	<u>-</u>	<u>496,977</u>	<u>1,041,914</u>
NET INCOME/(EXPENDITURE)		<u>(141,368)</u>	<u>-</u>	<u>(141,368)</u>	<u>(712,131)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		5,927,452	-	5,927,452	6,639,583
TOTAL FUNDS CARRIED FORWARD		<u><u>5,786,084</u></u>	<u><u>-</u></u>	<u><u>5,786,084</u></u>	<u><u>5,927,452</u></u>

The notes form part of these financial statements

FRIENDS OF ACHIEZER ARAD

BALANCE SHEET

5 April 2021

	Notes	Unrestricted funds £	Endowment fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Investments					
Investments	9	100	-	100	100
Investment property	10	3,972,000	-	3,972,000	3,972,000
		<hr/>	<hr/>	<hr/>	<hr/>
		3,972,100	-	3,972,100	3,972,100
CURRENT ASSETS					
Debtors	11	1,069,803	-	1,069,803	759,705
Investments	12	-	-	-	2,103,750
Cash at bank		2,007,518	-	2,007,518	345,373
		<hr/>	<hr/>	<hr/>	<hr/>
		3,077,321	-	3,077,321	3,208,828
CREDITORS					
Amounts falling due within one year	13	(1,220,837)	-	(1,220,837)	(1,253,476)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		1,856,484	-	1,856,484	1,955,352
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,828,584	-	5,828,584	5,927,452
CREDITORS					
Amounts falling due after more than one year	14	(42,500)	-	(42,500)	-
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		5,786,084	-	5,786,084	5,927,452
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	17				
Unrestricted funds				5,786,084	5,927,452
				<hr/>	<hr/>
TOTAL FUNDS				5,786,084	5,927,452
				<hr/>	<hr/>

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 ACHIEZER ARAD**CASH FLOW STATEMENT**
for the year ended 5 April 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(494,031)	379,207
Interest paid		(29,048)	(37,231)
Net cash (used in)/provided by operating activities		<u>(523,079)</u>	<u>341,976</u>
Cash flows from investing activities			
Purchase of fixed asset investments		-	(100)
Interest received		68,474	27,169
Net cash provided by investing activities		<u>68,474</u>	<u>27,069</u>
Cash flows from financing activities			
New loans in year		50,000	-
Loan repayments in year		2,066,750	(37,000)
Net cash provided by/(used in) financing activities		<u>2,116,750</u>	<u>(37,000)</u>
Change in cash and cash equivalents in the reporting period		<u>1,662,145</u>	<u>332,045</u>
Cash and cash equivalents at the beginning of the reporting period		<u>345,373</u>	<u>13,328</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,007,518</u></u>	<u><u>345,373</u></u>

The notes form part of these financial statements

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CASH FLOW STATEMENT
for the year ended 5 April 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(141,368)	(712,131)
Adjustments for:		
Interest received	(68,474)	(27,169)
Interest paid	29,048	37,231
(Increase)/decrease in debtors	(310,098)	1,388,553
Decrease in creditors	(3,139)	(307,277)
	(494,031)	379,207
Net cash (used in)/provided by operations	(494,031)	379,207

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 6.4.20	Cash flow	At 5.4.21
	£	£	£
Net cash			
Cash at bank	345,373	1,662,145	2,007,518
	345,373	1,662,145	2,007,518
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	2,103,750	(2,103,750)	-
	2,103,750	(2,103,750)	-
Debt			
Debts falling due within 1 year	(1,124,250)	29,500	(1,094,750)
Debts falling due after 1 year	-	(42,500)	(42,500)
	(1,124,250)	(13,000)	(1,137,250)
Total	1,324,873	(454,605)	870,268

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 5 April 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, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees have considered the effects of Covid-19 on its operations for the foreseeable future. After making appropriate enquiries and assessing the support available, the trustees have formed a judgement that the entity will have sufficient resources available to continue its activities over the course of the pandemic.

Critical accounting judgements and key sources of estimation uncertainty

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The item in the accounts where these judgements and estimates have been made is the valuation of investment properties.

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.

Donated goods and services, including volunteers

Donated facilities and gifts in kind are included at the value to the charity where this can be quantified.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Government grants

Government grants, including non-monetary grants shall not be recognised until there is reasonable assurance that:

(a) the entity will comply with the conditions attaching to them; and

(b) the grants will be received.

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

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Charitable activities comprise of grants payable in furtherance of the charitable objectives of the charity. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued **for the year ended 5 April 2021**

1. ACCOUNTING POLICIES - continued

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.

Investments

Investment property

Properties held for investment purposes are included in these accounts at open market value. The valuations are determined as set out in note 10 to these accounts.

Realised gains (or losses) on investment properties are calculated as the difference between disposal proceeds and their carrying value or their purchase value if acquired during the financial year. Unrealised gains (or losses) are calculated as the difference between fair value at the year end and their carrying value at that date. Realised and unrealised gains (or losses) are credited (or debited) in the year which they arise.

Investments in Syndicates

The Charity had three minority holdings of 25% or less in property investment syndicates at year end. The treatment in the Accounts is to include only the Charity's net share in these holdings at cost in the Balance Sheet and the net Income/(Deficit) under the heading Investment Income in the Statement of Financial Activities.

Current assets investment

Current asset investments are investments which held at cost with a maturity date of less than one year.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Funds held by the Charity are:

General Reserve:

This represents funds that can be used in accordance with the objects of the charity at the discretion of the Trustees.

Revaluation Reserve:

This Reserve can only be used by the Charity upon transfer to the General Reserve when a revaluation is realised on the disposal of the underlying Investment.

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.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to be present value of the future cash receipt where such discounting is material.

Creditors and provisions

Creditors and provisions 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 only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2021

1. ACCOUNTING POLICIES - continued

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value except for bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	23,803	48,189
	<u>23,803</u>	<u>48,189</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	118,372	130,296
Syndicate income	144,960	124,129
Current asset investment income	68,474	27,169
	<u>331,806</u>	<u>281,594</u>

4. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Property expenditure	69,343	81,021
Interest payable and similar charges	29,048	37,231
	<u>98,391</u>	<u>118,252</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Relief of poverty, advancement of education and furtherance of religion	381,312	17,274	398,586
	<u>381,312</u>	<u>17,274</u>	<u>398,586</u>

6. GRANTS PAYABLE

	2021	2020
	£	£
Relief of poverty, advancement of education and furtherance of religion	381,312	905,297
	<u>381,312</u>	<u>905,297</u>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2021

6. GRANTS PAYABLE - continued

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

	2021 £
CMA	10,000
CMZ Ltd	10,000
Hatzola Trust Limited	14,500
Kehal Yisroel D'Chasidei Gur	10,000
Keren Ohr	97,000
Kollel Beis Yisroel	28,984
Kollel Rabinow (Divre Shir) Foundation	16,000
Kollel Shas Yiden	15,000
Mars Org. Ltd	36,853
Tomchei Torah Vuchessed	15,000
UK Friends of Yad Yisroel	14,280
Yad Shlomo Trust	10,000
Grants less than £10,000	101,987
	<u>379,605</u>

The total grants paid to individuals during the year was as follows:

	2021 £
Individuals	1,707
	<u>1,707</u>

7. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Relief of poverty, advancement of education and furtherance of religion	<u>7,674</u>	<u>9,600</u>	<u>17,274</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2021 nor for the year ended 5 April 2020.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2021

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 6 April 2020 and 5 April 2021	100
	<hr/>
NET BOOK VALUE	
At 5 April 2021	100
	<hr/> <hr/>
At 5 April 2020	100
	<hr/> <hr/>

There were no investment assets outside the UK.

The charity's investment at the balance sheet date is comprised of a 100% holding in Orphan Support Limited, a company registered in England and Wales. The primary activity of Orphan Support Limited is property investment.

The company made a loss for the year of £810 (2020 - £1,057) and had negative aggregate capital and reserves of £1,767 (2020 - £957) at the balance sheet date.

The charity is exempt from preparing consolidated accounts in view of the fact that it is a small group.

10. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 6 April 2020 and 5 April 2021	3,972,000
	<hr/>
NET BOOK VALUE	
At 5 April 2021	3,972,000
	<hr/> <hr/>
At 5 April 2020	3,972,000
	<hr/> <hr/>

The properties were valued as at 5 April 2021 by the trustees, on an open market value basis, with the assistance of their professional advisors and based on their knowledge of the property market and the specific properties owned.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	7,162	3,793
Other debtors	1,059,608	669,873
Accrued income	-	77,911
Prepayments	3,033	8,128
	<hr/>	<hr/>
	1,069,803	759,705
	<hr/> <hr/>	<hr/> <hr/>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2021

12. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Current asset investment	-	2,103,750
	<u> </u>	<u> </u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 15)	1,094,750	1,124,250
Other creditors	126,087	129,226
	<u> </u>	<u> </u>
	<u>1,220,837</u>	<u>1,253,476</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 15)	42,500	-
	<u> </u>	<u> </u>

15. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	1,094,750	1,124,250
	<u> </u>	<u> </u>
Amounts falling between one and two years:		
Bank loans	10,000	-
	<u> </u>	<u> </u>
Amounts falling due between two and five years:		
Bank loans	32,500	-
	<u> </u>	<u> </u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	1,087,250	-
	<u> </u>	<u> </u>

The loans are secured on certain of the charity's properties.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2021

17. MOVEMENT IN FUNDS

	At 6.4.20 £	Net movement in funds £	At 5.4.21 £
Unrestricted funds			
General fund	5,927,452	(141,368)	5,786,084
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>5,927,452</u>	<u>(141,368)</u>	<u>5,786,084</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	355,609	(496,977)	(141,368)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>355,609</u>	<u>(496,977)</u>	<u>(141,368)</u>

Comparatives for movement in funds

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.20 £
Unrestricted funds				
General fund	5,253,771	(712,131)	1,385,812	5,927,452
Endowment funds				
Endowment fund	1,385,812	-	(1,385,812)	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>6,639,583</u>	<u>(712,131)</u>	<u>-</u>	<u>5,927,452</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	329,783	(1,041,914)	(712,131)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>329,783</u>	<u>(1,041,914)</u>	<u>(712,131)</u>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2021

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.21 £
Unrestricted funds				
General fund	5,253,771	(853,499)	1,385,812	5,786,084
Endowment funds				
Endowment fund	1,385,812	-	(1,385,812)	-
TOTAL FUNDS	<u>6,639,583</u>	<u>(853,499)</u>	<u>-</u>	<u>5,786,084</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	685,392	(1,538,891)	(853,499)
TOTAL FUNDS	<u>685,392</u>	<u>(1,538,891)</u>	<u>(853,499)</u>

General fund

Unrestricted Reserves are made up of a General Reserve and a Revaluation Reserve and are used for the following purposes:

- (i) To make interest free loans to charitable beneficiaries whom the Trustees feel would benefit from this form of assistance as opposed to an outright donation; and
- (ii) To acquire new investments with the goal of providing continuing annual donations to charitable beneficiaries in the future.

18. RELATED PARTY DISCLOSURES

The charity's properties are managed free of charge by a company of which Mr I Moskovitz is a director.

During the year the charity made grants of £3,600 (2020 - £47,343) to Friends of the United Institutions of Arad, and £15,000 (2020 - £nil) to Kollal Shas Yiden, charities of which Mr I Moskovitz is a trustee.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 5 April 2021

19. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other organisation of our size and nature we use our auditors to assist with the preparation of the financial statements.

20. AUDITOR LIABILITY LIMITATION AGREEMENT

The charity has entered into a liability limitation agreement with Raffingers, the statutory auditor, in respect of the statutory audit for the period ended 5 April 2021. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements.