

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2025
FOR
FRIENDS OF ACHIEZER ARAD

Xeinadin Audit Limited, Statutory Auditor
8th Floor, Becket House
36 Old Jewry
London
EC2R 8DD

FRIENDS OF ACHIEZER ARAD

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for the year ended 5 April 2025

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FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES **for the year ended 5 April 2025**

The trustees present their report with the financial statements of the group for the year ended 5 April 2025. 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 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.

Public benefit

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.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

Funds were principally raised from the group's investment properties as well as from donations received from corporate donors, individuals and other registered charities.

During the year under review income increased from £894,804 to £1,222,298. Expenditure increased from £399,142 to £465,724 resulting in a net surplus of £756,574 (2024 - £495,662). The charity made grants totalling £234,291 (2024 £167,133) during the year in support of individuals and institutions whose objects are in line with the objects of the charity.

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.

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. During the year the charity was able to purchase additional investment properties which will be used to further fund the activities of the charity.

FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES **for the year ended 5 April 2025**

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 donations. The trustees have not made any funding commitments and accordingly consider that the ideal level of reserves as at 5 April 2025 would be 12 months of administrative costs.

At the year end free reserves were negative £3,323,972 and total reserves were £5,803,028. 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 and to enable the charity to expand its activities.

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.

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.

Wider network

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

FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES **for the year ended 5 April 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Principal address

Avon House
2 Timberwharf Road
London
N16 6DB

Trustees

Mr I Moskovitz
Mrs C Moskovitz
Mr S Reich

Auditors

Xeinadin Audit Limited Chartered Accountants
Statutory Auditor
8th Floor, Becket House
36 Old Jewry
London
EC2R 8DD

Bankers

National Westminster Bank Plc
135 Bishopsgate
London
EC2M 3UR

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).

FRIENDS OF ACHIEZER ARAD

REPORT OF THE TRUSTEES
for the year ended 5 April 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Charity law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and The Charity (Accounts and Reports) Regulations 2008. 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.

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 'parent charity') and its subsidiary (the 'group' for the year ended 5 April 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, the Consolidated 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 group's affairs as at 5 April 2025 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 group 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 group'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.

FRIENDS OF ACHIEZER ARAD
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 group'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 group or to cease operations, or have no realistic alternative but to do so.

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.

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 group 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 group. 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); Companies Act 2006, Employment Law; Data Protection Legislation; The Code of Fundraising Practice; and Safeguarding Regulations as they affect the direct charitable activities of the group;
- 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 group'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;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

To address the risk that income could be misstated due to fraud, we:

- obtained an understanding of the group's income recognition policies and compared these to the accounting standard;
- performed a walkthrough to confirm our understanding of the processes and controls through which the group initiates, records, processes and reports income transactions;
- tested a sample of income transactions to supporting evidence; and
- tested, on a sample basis, revenue related balances in the balance sheet.

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

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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. To address this risk, we obtained an understanding of the company's revenue recognition policies and compared these to the accounting standard, performed a walkthrough to confirm our understanding of the processes and controls through which the business initiates, records, processes and reports revenue transactions. We tested a sample of revenue transactions to supporting evidence and tested, on a sample basis, revenue related balances in the balance sheet.

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.

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.

Use of our report

This report is made solely to the group'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 group'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 group and the group's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Xeinadin Audit Limited, Statutory Auditor
8th Floor, Becket House
36 Old Jewry
London
EC2R 8DD

Date:

Xeinadin Audit Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

FRIENDS OF ACHIEZER ARAD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 5 April 2025

		2025 Unrestricted fund £	2024 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	871,992	455,129
Investment income	3	<u>350,306</u>	<u>439,675</u>
Total		1,222,298	894,804
EXPENDITURE ON			
Raising funds	4	218,815	215,606
Charitable activities	5		
Relief of poverty, advancement of education and furtherance of religion		246,909	183,537
Total		<u>465,724</u>	<u>399,142</u>
Profit on revaluation of investment properties		<u>22,450</u>	<u>-</u>
Net income		779,024	495,662
RECONCILIATION OF FUNDS			
Total funds brought forward		5,024,004	4,528,342
TOTAL FUNDS CARRIED FORWARD		<u><u>5,803,028</u></u>	<u><u>5,024,004</u></u>

All amounts relate to continuing activities of the group

The Statement of Financial Activities includes all gains and losses recognised in the year.

FRIENDS OF ACHIEZER ARAD
CONSOLIDATED BALANCE SHEET
5 April 2025

	Notes	2025 Unrestricted funds £	2024 Total funds £
FIXED ASSETS			
Investments	10	-	-
Investment property	11	<u>9,127,000</u>	<u>9,104,550</u>
		9,127,000	9,104,550
CURRENT ASSETS			
Debtors	12	1,308,059	1,105,897
Cash at bank and in hand		<u>190,938</u>	<u>5,180</u>
		1,498,997	1,111,077
CREDITORS			
Amounts falling due within one year	13	<u>(4,822,969)</u>	<u>(3,741,623)</u>
NET CURRENT ASSET (LIABLILITY)		<u>(3,323,972)</u>	<u>(2,635,726)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,803,028	6,474,004
CREDITORS			
Amounts falling due after more than one year	14	-	(1,450,000)
NET ASSETS		<u>5,803,028</u>	<u>5,024,004</u>
FUNDS			
Unrestricted funds	16	<u>5,803,028</u>	<u>5,024,004</u>
TOTAL FUNDS		<u>5,803,028</u>	<u>5,024,004</u>

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

CHARITY BALANCE SHEET

5 April 2025

	Notes	2025 Unrestricted funds £	2024 Total funds £
FIXED ASSETS			
Investments	10	100	100
Investment property	11	<u>8,947,000</u>	<u>8,924,550</u>
		8,947,100	8,924,650
CURRENT ASSETS			
Debtors	12	1,476,097	1,271,254
Cash at bank		<u>190,757</u>	<u>4,999</u>
		1,666,854	1,276,253
CREDITORS			
Amounts falling due within one year	13	(4,819,920)	(3,739,083)
		<u>(3,153,066)</u>	<u>(2,462,830)</u>
NET CURRENT ASSETS			
		5,794,034	6,461,820
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	14	-	(1,450,000)
		<u>5,794,034</u>	<u>5,011,820</u>
NET ASSETS			
FUNDS			
Unrestricted funds		<u>5,794,034</u>	<u>5,011,820</u>
TOTAL FUNDS		<u>5,794,034</u>	<u>5,011,820</u>

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
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 5 April 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	293,819	132,832
Interest paid		<u>(108,679)</u>	<u>(114,432)</u>
Net cash provided by operating activities		<u>185,140</u>	<u>18,400</u>
Cash flows from investing activities			
Interest received		<u>618</u>	<u>109,880</u>
Net cash provided by investing activities		<u>618</u>	<u>109,880</u>
Cash flows from financing activities			
Loan repayments in year		<u>-</u>	<u>(136,842)</u>
Net cash (used in)/provided by financing activities		<u>-</u>	<u>(136,842)</u>
Change in cash and cash equivalents in the reporting period		185,758	(8,562)
Cash and cash equivalents at the beginning of the reporting period		<u>5,180</u>	<u>13,742</u>
Cash and cash equivalents at the end of the reporting period		<u>190,938</u>	<u>5,180</u>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 5 April 2025

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

	2025	2024
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	779,024	495,662
Adjustments for:		
Gains on investments	(22,450)	-
Interest received	(618)	(109,880)
Interest paid	108,679	114,432
(Increase) in debtors	(202,162)	(94,569)
(Decrease)/increase in creditors	<u>(368,654)</u>	<u>(272,813)</u>
Net cash provided by operations	<u>293,819</u>	<u>132,832</u>

2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 06.04.24	Cash flow	At 05.4.25
	£	£	£
Net cash			
Cash at bank and in hand	<u>5,180</u>	<u>185,758</u>	<u>190,938</u>
	<u>5,180</u>	<u>185,852</u>	<u>190,938</u>
Debt			
Debts falling due within 1 year	-	(1,450,000)	(1,450,000)
Debts falling due after 1 year	<u>(1,450,000)</u>	<u>1,450,000</u>	<u>-</u>
	<u>(1,450,000)</u>	<u>-</u>	<u>(1,450,000)</u>
Total	<u>(1,450,000)</u>	<u>-</u>	<u>(1,450,000)</u>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **for the year ended 5 April 2025**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The consolidated financial statements 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 accounts are prepared in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £1.

Friends of Achiezer Arad meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value except for the revaluation of the freehold property and investments or as unless otherwise stated in the relevant accounting policy notes.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Orphan Support Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Companies Act 2006, s. 408.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. They have made this assessment in respect of a period of one year from the date of approval of these financial statements.

Critical accounting judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The key assumptions concerning the future and key sources of estimation of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- estimating the market value of investment properties; and
- estimating future income and expenditure flows for the purpose of assessing the group's going concern.

Income

All income is recognised in the Statement of Financial Activities once the group has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Rental income is recognised on a straight-line basis over the period to which it relates. Income is recognised when it is receivable, unless the amount is uncertain or collection is doubtful, in which case it is recognised when received.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

1. ACCOUNTING POLICIES - continued

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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group 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.

Governance costs

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the parent charity and the audit fees and costs linked to the strategic management of the parent 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 11 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 minority holdings of 25% or less in property investment syndicates at the 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.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

1. ACCOUNTING POLICIES - continued

Taxation

The charity is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 parent 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.

Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, bank loans, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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.

Creditors and provisions

Creditors 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 settlement can be estimated reliably.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	<u>871,191</u>	<u>455,129</u>

3. INVESTMENT INCOME

	2025	2024
	£	£
Rents received	237,062	231,098
Syndicate income	112,626	98,697
Deposit account interest	618	512
Other income	-	109,368
	<u>350,306</u>	<u>439,675</u>

4. RAISING FUNDS

Raising donations and legacies

	2025	2024
	£	£
Property expenditure	78,409	101,174
Interest payable and similar charges	<u>108,679</u>	<u>114,432</u>
	<u>187,088</u>	<u>215,606</u>

Other costs

	2025	2024
	£	£
Bad debts	<u>31,727</u>	-
Aggregate amounts	<u>218,815</u>	<u>215,606</u>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

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	234,291	12,618	246,909
	<u>=====</u>	<u>=====</u>	<u>=====</u>

6. GRANTS PAYABLE

	2025 £	2024 £
Relief of poverty, advancement of education and furtherance of religion	<u>234,291</u>	<u>167,133</u>

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

	2025 £
Shas Eiden	112,000
Kollel Shas Yiden	29,500
The David Hofstedter Family Foundation	30,467
Agudat Israel Housing Association	14,500
Grants less than £10,000	<u>26,631</u>
	<u>213,098</u>

Grants to individuals totalled £21,193 (2024 - £22,390).

All grants were made to institutions whose objects are in line with those of the charity.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

7. SUPPORT COSTS

	Governance costs
	£
Relief of poverty, advancement of education and furtherance of religion	<u>12,618</u>

8. AUDITORS' REMUNERATION

	2025	2024
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	9,500	9,500
Other non-audit services	<u>3,118</u>	<u>5,104</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2025 nor for the year ended 5 April 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2025 nor for the year ended 5 April 2024.

10. FIXED ASSET INVESTMENTS

Charity

Shares in group undertaking

£

COST/MARKET VALUE

At 6 April 2024 and 5 April 2025

100

NET BOOK VALUE

At 5 April 2025

100

At 5 April 2024

100

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.

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

11. INVESTMENT PROPERTY

Group

	£
FAIR VALUE	
At 6 April 2024	9,104,550
Revaluation	<u>22,450</u>
At 5 April 2025	<u>9,127,000</u>
NET BOOK VALUE	
At 5 April 2025	<u>9,127,000</u>
At 5 April 2024	<u>9,104,550</u>

Charity

	Total £
FAIR VALUE	
At 6 April 2024	8,924,550
Revaluation	<u>22,450</u>
At 5 April 2025	<u>8,947,000</u>
NET BOOK VALUE	
At 5 April 2025	<u>8,947,000</u>
At 5 April 2024	<u>8,924,550</u>

The properties were valued as at 5 April 2025 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.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	121,883	85,953	121,542	82,930
Other debtors	<u>1,186,176</u>	<u>1,019,944</u>	<u>1,354,555</u>	<u>1,188,324</u>
	<u>1,308,059</u>	<u>1,105,897</u>	<u>1,476,097</u>	<u>1,271,254</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts	1,450,000	-	1,450,000	-
Other creditors	<u>3,372,969</u>	<u>3,741,623</u>	<u>3,369,920</u>	<u>3,739,083</u>
	<u>4,822,969</u>	<u>3,741,623</u>	<u>4,819,920</u>	<u>3,739,083</u>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

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

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	<u>-</u>	<u>-</u>	<u>1,450,000</u>	<u>1,450,000</u>

The bank loans are secured against certain of the group's properties.

15. LOANS

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>1,450,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>-</u>	<u>1,450,000</u>

16. MOVEMENT IN FUNDS

	At 6.4.24 £	Net movement in funds £	At 5.4.25 £
Unrestricted funds			
General fund	<u>5,024,004</u>	<u>779,024</u>	<u>5,803,028</u>
TOTAL FUNDS	<u>5,024,004</u>	<u>779,024</u>	<u>5,803,028</u>

FRIENDS OF ACHIEZER ARAD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 5 April 2025

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,222,298	(465,724)	22,450	779,024
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	1,222,298	(465,724)	22,450	779,024

Comparatives for movement in funds

	At 6.4.23 £	Net movement in funds £	At 5.4.24 £
Unrestricted funds			
General fund	4,528,342	495,662	5,024,004
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>4,528,342</u>	<u>495,662</u>	<u>5,024,004</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	894,804	(399,142)	-	495,662
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	894,804	(399,142)	-	495,662
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

18. RELATED PARTY DISCLOSURES

During the year, the charity received donations of £448,500 from companies of which certain of the trustees are directors.

The charity's properties are managed free of charge by a company of which Mr I Moskovitz is a director. A deemed management charge of £22,156 has been recognised in the accounts as a donation.

During the year, the charity made grants of £29,500 (2024 - £32,500) to Kolllel Shas Yiden, a charity of which Mr I Moskovitz is a trustee.

Included in other creditors is a loan of £2,999,125 (2024 - £2,999,125) due to Y & Y Management Limited and £12,000 (2024 - £12,000) due to Avon Ground Rents Limited, companies controlled by certain of the trustees of this charity.