

**The AA Trust**  
**Company Limited by Guarantee**  
**Unaudited Financial Statements**  
**31 October 2020**

**A J BRACEINER FCA**

Chartered Accountant  
Park House  
Russell Gardens  
London  
NW11 9NJ

# **The AA Trust**

**Company Limited by Guarantee**

**Financial Statements**

**Year ended 31 October 2020**

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# The AA Trust

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 October 2020

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The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 October 2020.

#### Reference and administrative details

<b>Registered charity name</b>	The AA Trust
<b>Charity registration number</b>	1139322
<b>Company registration number</b>	07413901
<b>Principal office and registered office</b>	43a Stamford Hill London N16 5SX

#### The trustees

Mr A Lipschitz  
Mrs D Ost  
Mrs E Lipschitz

<b>Independent examiner</b>	Abraham J Braceiner FCA Park House Russell Gardens London NW11 9NJ
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#### Structure, governance and management

##### Structure

The charity is an incorporated entity limited by guarantee established on 29th October 2010.

##### Governance and management

The Articles of Association provide for a minimum of three trustees. Were there a requirement for new trustees these would be identified and appointed by the existing trustees.

#### Objectives and activities

##### Objectives

1. The relief of poverty particularly but not exclusively among persons of the Jewish faith in any part of the world.
2. The advancement of the Jewish religion in any part of the world.
3. The advancement of the education of the public in any part of the world in the knowledge of the Jewish religion and Jewish history and culture.
4. Such other charitable purposes for the benefit of persons particularly but not exclusively of the Jewish faith in any part of the world as the trustees shall from time to time decide.

# **The AA Trust**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 October 2020**

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#### **Objectives and activities *(continued)***

##### **Activities**

The charity makes grants to various institutions and bodies which are identified by the trustees as advancing the objectives of the charity.

##### **Public benefit**

The trustees have considered the Charity Commission's guidance on public benefit and consider that the charity conforms with them.

#### **Achievements and performance**

During the year the charity made grants to over eighty charitable institutions totalling £175,618.

#### **Financial review**

##### **Investment policy**

The trustees have set a policy that the expendable endowment should be invested so as to maximise the total return with a low level of risk. The income from investments for the year was £189,498.

##### **Reserves policy**

The charity attempts to maintain sufficient reserves to meet its liabilities.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 27 October 2021 and signed on behalf of the board of trustees by:

Mr A Lipschitz  
Trustee

# **The AA Trust**

## **Company Limited by Guarantee**

### **Independent Examiner's Report to the Trustees of The AA Trust**

**Year ended 31 October 2020**

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I report to the trustees on my examination of the financial statements of The AA Trust ('the charity') for the year ended 31 October 2020.

#### **Responsibilities and basis of report**

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

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

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

Abraham J Braceiner FCA  
Independent Examiner

Park House  
Russell Gardens  
London  
NW11 9NJ

27 October 2021

# The AA Trust

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 October 2020

		2020		2019
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
<b>Income and endowments</b>				
Donations and legacies	5	1,800	1,800	—
Investment income	6	204,340	204,340	189,498
<b>Total income</b>		<u>206,140</u>	<u>206,140</u>	<u>189,498</u>
<b>Expenditure</b>				
Expenditure on raising funds:				
Investment management costs		24,853	24,853	57,692
Expenditure on charitable activities		215,132	215,132	142,708
<b>Total expenditure</b>		<u>239,985</u>	<u>239,985</u>	<u>200,400</u>
<b>Net expenditure and net movement in funds</b>		<u>33,845</u>	<u>33,845</u>	<u>10,902</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		979,992	979,992	990,894
<b>Total funds carried forward</b>		<u>946,147</u>	<u>946,147</u>	<u>979,992</u>

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

The notes on pages 7 to 12 form part of these financial statements.

# The AA Trust

## Company Limited by Guarantee

### Statement of Financial Position

31 October 2020

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	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	10	1,900,000	1,900,000
<b>Current assets</b>			
Debtors	11	8,570	62,089
Cash at bank and in hand		44,177	2,808
		<u>52,747</u>	<u>64,897</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>26,404</u>	<u>23,236</u>
<b>Net current assets</b>		<u>26,343</u>	<u>41,661</u>
<b>Total assets less current liabilities</b>		<u>1,926,343</u>	<u>1,941,661</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(980,196)</u>	<u>(961,669)</u>
<b>Net assets</b>		<u>946,147</u>	<u>979,992</u>
<b>Funds of the charity</b>			
Unrestricted funds		<u>946,147</u>	<u>979,992</u>
<b>Total charity funds</b>	14	<u>946,147</u>	<u>979,992</u>

For the year ending 31 October 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position  
continues on the following page.

The notes on pages 7 to 12 form part of these financial statements.

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# **The AA Trust**

## **Company Limited by Guarantee**

### **Statement of Financial Position** *(continued)*

**31 October 2020**

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These financial statements were approved by the board of trustees and authorised for issue on 27 October 2021, and are signed on behalf of the board by:

Mr A Lipschitz  
Trustee

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The notes on pages 7 to 12 form part of these financial statements.



# **The AA Trust**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 October 2020**

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#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 43a Stamford Hill, London, N16 5SX.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

##### **Basis of preparation**

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

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

##### **Going concern**

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

##### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# The AA Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

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#### 3. Accounting policies *(continued)*

##### Resources expended

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

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

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

##### Financial instruments

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

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

# The AA Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 October 2020

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#### 3. Accounting policies *(continued)*

##### Financial instruments *(continued)*

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

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

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

#### 4. Limited by guarantee

The AA Trust is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after ceasing to be a member.

#### 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
<b>Donations</b>				
Donations	1,800	1,800	—	—

#### 6. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from investment properties	201,840	201,840	186,998	186,998
Other interest receivable	2,500	2,500	2,500	2,500
	<u>204,340</u>	<u>204,340</u>	<u>189,498</u>	<u>189,498</u>

# The AA Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 October 2020

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#### 7. Analysis of grants

	2020 £
Kehal Chassidim Bobov	31,600
Start Upright	27,500
Achisomoch Aid Company Limited	17,500
Keren Hatzolas Doros	10,000
Kollel Yeshuas Chaim	8,500
FO Merkaz Hatorah Belz Macnivka	5,000
UTRY	5,000
Sundry grants (under £5,000)	70,518
	<u>175,618</u>

Grants were made to institutions in the fields of religion, education and the relief of poverty.

#### 8. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,700</u>	<u>2,700</u>

#### 9. Trustee remuneration and expenses

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

#### 10. Investments

	Investment properties £
<b>Cost or valuation</b>	
At 1 November 2019 and 31 October 2020	<u>1,900,000</u>
<b>Impairment</b>	
At 1 November 2019 and 31 October 2020	
<b>Carrying amount</b>	
At 31 October 2020	<u>1,900,000</u>
At 31 October 2019	<u>1,900,000</u>

All investments shown above are held at valuation.

# The AA Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 October 2020

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#### 10. Investments *(continued)*

##### Investment properties

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date by the trustees and any changes in fair value are recognised in profit or loss.

#### 11. Debtors

	2020	2019
	£	£
Prepayments and accrued income	2,140	2,500
Other debtors	6,430	59,589
	<u>8,570</u>	<u>62,089</u>

#### 12. Creditors: amounts falling due within one year

	2020	2019
	£	£
Mortgage loans	17,037	12,168
Accruals and deferred income	7,910	9,611
Other creditors	1,457	1,457
	<u>26,404</u>	<u>23,236</u>

#### 13. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Mortgage loans	798,746	811,869
Bank loans and overdrafts	50,000	—
Other creditors	131,450	149,800
	<u>980,196</u>	<u>961,669</u>

# The AA Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 October 2020

#### 14. Analysis of charitable funds

##### Unrestricted funds

	At 1 November 2 019 £	Income £	Expenditure £	At 31 October 2 020 £
General funds	438,046	206,140	(239,985)	404,201
Fair value reserve	541,946	—	—	541,946
	<u>979,992</u>	<u>206,140</u>	<u>(239,985)</u>	<u>946,147</u>

  

	At 1 November 2 018 £	Income £	Expenditure £	At 31 October 20 19 £
General funds	448,948	189,498	(200,400)	438,046
Fair value reserve	541,946	—	—	541,946
	<u>990,894</u>	<u>189,498</u>	<u>(200,400)</u>	<u>979,992</u>

#### 15. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Investments	1,900,000	1,900,000
Current assets	52,747	52,747
Creditors less than 1 year	(26,404)	(26,404)
Creditors greater than 1 year	(980,196)	(980,196)
<b>Net assets</b>	<u>946,147</u>	<u>946,147</u>

  

	Unrestricted Funds £	Total Funds 2019 £
Investments	1,900,000	1,900,000
Current assets	64,897	64,897
Creditors less than 1 year	(23,236)	(23,236)
Creditors greater than 1 year	(961,669)	(961,669)
<b>Net assets</b>	<u>979,992</u>	<u>979,992</u>