

Charity registration number 1141101

Company registration number 07460171 (England and Wales)

THE PALMTREE FOUNDATION TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE PALMTREE FOUNDATION TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Berish Berger Mr Abraham Klein Mr Mordechai Berger Mr Joel Gross	(Appointed 1 July 2022) (Appointed 26 February 2022)
Charity number	1141101	
Company number	07460171	
Auditor	Cohen Arnold New Burlington House 1075 Finchley Road London NW11 0PU	

THE PALMTREE FOUNDATION TRUST LIMITED

CONTENTS

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditor's report	5 - 8
Statement of financial activities	9
Statement of financial position	10
Notes to the financial statements	11 - 18

THE PALMTREE FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "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

The charity's objects are to advance the benefit of the Jewish community by :-

- the advancement of the orthodox Jewish faith;
- the advancement of orthodox Jewish religious education and education in general;
- the advancement of such other objects as are for the benefit of the public and are charitable according to the Laws of England and Wales.

In furtherance of its objects, the charity supports the activities of Jewish religious organisations, especially in the field of education and provides philanthropic aid to the Jewish needy. Donations are made to organisations providing a sound religious education in accordance with the doctrines and principles of traditional Judaism and to institutions set up to provide aid to the Jewish needy, with a view to achieving the objectives of the charity.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has complied with its duty to act for the public benefit in accordance with Section 4 of The Charities Act 2011.

Grants are made to charitable institutions and organisations which conform to the objectives of the charity after the trustees have satisfied themselves as to the bona fides of the recipient.

Achievements and performance

During the year under review £50,000 (2021: £74,000) was distributed in furtherance of the charity's objectives.

Financial review

The charity is dependent for its income from its investment property.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level which the trustees consider appropriate after considering the future commitments of the charity.

The charity has unrestricted funds of £7,149,565 (2021: £7,024,092) none of which is distributable as it is represented by its investment property.

The movements in investments are fully reflected in the notes to the financial statements.

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit provided that funds so utilised are not immediately required for use in connection with any of its objectives. The trustees regularly review the charity's position and needs in respect of the investment policy.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The charity has no significant concentrations of credit risk. Amounts shown in the Statement of Financial Position represent the maximum anticipated credit risk exposure. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

THE PALMTREE FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The charity holds or issues financial instruments to achieve three main objectives being:

- to finance its operations
- to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- to generate funds.

In addition various financial instruments (e.g. debtors, creditors, prepayments and accruals) arise directly from the charity's operations.

The charity plans continuing the activities outlined above in the coming year subject to incoming resources being maintained at a satisfactory level.

Structure, governance and management

The charity is an entity incorporated under the Companies Act and is governed by its Memorandum and Articles of Association. It has no share capital being limited by guarantee. The liability of each member in the event of a winding up is limited to £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Berish Berger

Mr Abraham Klein

Mr Berish Gross

(Resigned 26 February 2022)

Mr Mordechai Berger

(Appointed 1 July 2022)

Mr Joel Gross

(Appointed 26 February 2022)

As set out in the Articles of Association the members of the charity is unlimited in number. Membership is open to individuals and organisations who apply to the charity in the form required by the trustees and are approved by the trustees. Membership is not transferable.

The trustees may establish classes of membership with different rights and obligations.

The organisation is run by the directors who are the trustees. Every trustee holds office until he/she shall die. The number of directors shall not be less than two but shall not be subject to a maximum.

It is not currently the intention of the trustees of the Charity to appoint further trustees. Should the situation change in the future, the trustees will apply suitable recruitment and training procedures.

Unless and until otherwise determined by the charity, the board of trustees shall consist of not less than three but shall not be subject to any maximum. The Board appoints from among its members a Chair and a Vice Chair, and in the event any vacancy arises the Board shall as soon as practicable fill the vacancy. Three ordinary members present in person or a duly authorised representative of a company member shall form a quorum at a general meeting.

None of the trustees have any beneficial interest in the charity.

THE PALMTREE FOUNDATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2022*

Auditor

In accordance with the company's articles, a resolution proposing that Cohen Arnold be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr Berish Berger

Trustee

Dated: 9 November 2023

THE PALMTREE FOUNDATION TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of The Palmtree Foundation Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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 charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

THE PALMTREE FOUNDATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PALMTREE FOUNDATION TRUST LIMITED

Opinion

We have audited the financial statements of The Palmtree Foundation Trust Limited (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

THE PALMTREE FOUNDATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PALMTREE FOUNDATION TRUST LIMITED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the management and identified which were most significant with respect to the financial statements. We identified the Companies Act 2006 (including associated regulations), Charities Act 2011, Charities SORP (FRS102), Financial Reporting Standard 102, Taxation Laws and Regulations, The Landlord and Tenant Act and Health & Safety Regulations as being most significant to these financial statements. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the management the policies and procedures regarding compliance with the legal and regulatory framework.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance with legal and regulatory framework, including how fraud might occur, by enquiry with the checklists. The susceptibility to such material misstatement was determined to be low.

THE PALMTREE FOUNDATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PALMTREE FOUNDATION TRUST LIMITED

- Based on this understanding, we designed our audit procedures to identify non-compliance with the identified legal and regulatory framework, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HM Revenue & Customs, testing transactions outside the normal course of the business and journal entries, and discussions with the management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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

THE PALMTREE FOUNDATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PALMTREE FOUNDATION TRUST LIMITED

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moshe Broner-Cohen (Senior Statutory Auditor)
for and on behalf of Cohen Arnold

9 November 2023

Chartered Accountants
Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

Cohen Arnold is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE PALMTREE FOUNDATION TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Investments	3	312,962	275,000
<u>Expenditure on:</u>			
Charitable activities	4	54,806	78,475
Finance costs	9	132,683	35,969
Total expenditure		187,489	114,444
Net gains/(losses) on investments	10	-	2,381,162
Net income for the year/ Net movement in funds		125,473	2,541,718
Fund balances at 1 January 2022		7,024,092	4,482,374
Fund balances at 31 December 2022		7,149,565	7,024,092

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PALMTREE FOUNDATION TRUST LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investment properties	12		8,000,000		8,000,000
Current assets					
Debtors	13	1,790,168		-	
Cash at bank and in hand		934,725		124,918	
		<u>2,724,893</u>		<u>124,918</u>	
Creditors: amounts falling due within one year	15	(165,328)		(1,100,826)	
Net current assets/(liabilities)			2,559,565		(975,908)
Total assets less current liabilities			10,559,565		7,024,092
Creditors: amounts falling due after more than one year	16		(3,410,000)		-
Net assets			<u>7,149,565</u>		<u>7,024,092</u>
Income funds					
Unrestricted funds			7,149,565		7,024,092
			<u>7,149,565</u>		<u>7,024,092</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 9 November 2023

Mr Berish Berger
Trustee

Mr Abraham Klein
Trustee

Company Registration No. 07460171

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Palmtree Foundation Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is .

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Rental income	312,962	275,000

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	Charitable Activities 2022 £	Charitable Activities 2021 £
Grant funding of activities (see note 5)	50,000	74,000
Share of support costs (see note 6)	2,526	2,195
Share of governance costs (see note 6)	2,280	2,280
	<u>54,806</u>	<u>78,475</u>

5 Grants payable

	2022 £	2021 £
Grants to institutions:		
Asser Bishvil Foundation	-	15,000
Congregation Vyoel Moshe D'Satmer	10,000	-
Chevrass Mo'oz Ladol	15,000	5,000
Cong. D'Satmar Limited	-	5,000
KYL Central Shul	-	12,000
Mesifita Talmudical College	-	12,000
Tomchei Shabbos Trust	-	10,000
M.E.B.	5,000	-
Vishnitz Girls School	10,000	-
YGS Yeshiva Gedola Seminar	-	15,000
Yeshiva Gedolah Torah Veyirah Limited	10,000	-
	<u>50,000</u>	<u>74,000</u>

All grants were made for general charitable purposes including the advancement of education and the relief of poverty.

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Accountancy fees	2,000	-	2,000	2,000	-	2,000
Bank charges	130	-	130	8	-	8
Administrative expenses	396	-	396	187	-	187
Audit fees	-	2,280	2,280	-	2,280	2,280
	<u>2,526</u>	<u>2,280</u>	<u>4,806</u>	<u>2,195</u>	<u>2,280</u>	<u>4,475</u>
Analysed between						
Charitable activities	<u>2,526</u>	<u>2,280</u>	<u>4,806</u>	<u>2,195</u>	<u>2,280</u>	<u>4,475</u>

Governance costs includes payments to the auditors of £2,280 (2021- £2,280) for audit fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

9 Finance costs

	Unrestricted funds	Total
	2022	2021 £
Financing costs	<u>132,683</u>	<u>35,969</u>

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Net gains/(losses) on investments

	Total Unrestricted funds	
	2022	2021
	£	£
Revaluation of investment properties	-	2,381,162

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Investment property

	2022
	£
Fair value	
At 1 January 2022 and 31 December 2022	8,000,000

Investment property comprises commercial property. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31st December, 2022 by the Company's directors who are considered to have the experience and expertise required to undertake such an exercise. The valuation was made on an open market value basis

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022	2021
	£	£
Cost	5,618,838	5,618,838
Accumulated depreciation	-	-
Carrying amount	5,618,838	5,618,838
	2022	2021
	£	£
Freehold	8,000,000	8,000,000

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	1,700,000	-
Prepayments and accrued income	90,168	-
	<u>1,790,168</u>	<u>-</u>

14 Loans and overdrafts

	2022 £	2021 £
Bank loans	3,504,868	1,091,238
Payable within one year	94,868	1,091,238
Payable after one year	3,410,000	-

Bank loans represent a mortgage advance that bears interest at a fixed rate over Barclays Bank base rate and is secured by a fixed legal charge over the charity's investment property together with a debenture over its assets and undertakings.

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	14	94,868	1,091,238
Trade creditors		62,500	-
Other creditors		7,960	9,588
		<u>165,328</u>	<u>1,100,826</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	14	3,410,000	-

17 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

THE PALMTREE FOUNDATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Related party transactions

(Continued)

The charity's rental income includes £191,353 (2021: £175,000) from a lease to Wiseheights Limited, a registered charity, the trustees of which are related to the trustees of this charity.

During the year, this charity made interest free loans of £1,700,00 to Educational Academies Support, a UK registered charity two of the trustees of which are also trustees of this charity. The loan was made in order to assist Educational Academies Support in acquiring property that is functional in nature.