

# **The Paloma Foundation**

## **Trustees' Annual Report**

**For the year ended 31 December 2023**

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## Reference and Administration Details

<b>Charity name:</b>	The Paloma Foundation
<b>Charity registration number:</b>	1187153
<b>Address:</b>	Henry Wood House, 4-5 Langham Place, London W1B 3DG
<b>Report period:</b>	1 January 2023 to 31 December 2023
<b>Trustees:</b>	Jack Pitman Jolyon Froud Philip David Baxter

## Objectives and Activities

The Paloma Foundation aims to help the advancement of the Christian faith in the UK or abroad by supporting charitable organisations or individuals involved in activities as an expression of the Christian life and faith. See Charitable Objects below for a more detailed explanation.

The Paloma Foundation will be funded in due course by donations. It is intended that these donations will be used to acquire income producing UK commercial property investments or make secured loans with the aim of producing a regular source of income. This income will be used to make grants in accordance with the Charitable Objects.

### [The Paloma Foundation's Strategy for Achieving its Aims](#)

The Paloma Foundation aims to help the advancement of the Christian faith in the UK or abroad by supporting charitable organisations or individuals involved in activities as an expression of the Christian life and faith. There are three stages to the Foundation's strategy for achieving its aims;

1. Build a robust financial base (see Review of Financial Position and Principal Funding Sources below)
2. Invest funds to create a sustainable annual income to be used for making grants. These investments are likely to be a combination of;
  - UK commercial real estate investments, acquired to provide rental income
  - Loans to entities which are sympathetic to our aims, generally secured on a property asset, to facilitate each entities' activities and to generate income via an annual coupon
  - Other UK real estate to be occupied by entities which are sympathetic to our aims, acquired to facilitate their activities and leased to them to provide rental income
3. As this sustainable income base is established, make grants (see Grant Making below) funded by this income

### [The Short and Longer Term Aims and Objectives](#)

The short term aim and objective is to build a robust financial base and then to create a sustainable annual income, while beginning to make grants/programme related investments to promote the aims of the Foundation. The longer term aim and objective is to advance the Foundation's aims by expanding the grant making/programme related investments as the income grows.

The Trustees are also looking to use their deep knowledge and experience of the UK real estate market to own buildings and make loans on buildings. Providing liquidity, in the form of secured loans paying an annual coupon, will enable entities which are sympathetic to our aims to acquire buildings where their activities can take place. This liquidity could, for example, enable the entity to acquire and renovate or improve an asset and allow them the time to raise funds from supporters or raise conventional bank debt to repay the Foundation's loan. The Foundation's first transaction, the providing of a Programme Related Investment in 2023 to the UK Christian School, is an early example of that.

### Grant Making

**Funding Criteria.** The Foundation will consider all applications that fall within our charitable purposes and meet our funding criteria and, for which, the due diligence process has not identified any unacceptable issues.

- **Charities** - organisations must have a written constitution, with exclusively charitable aims, and be run by a minimum of at least 2 trustees.
  - In making grants, trustees will comply with Charity Commission guidance, to ensure that it is in the charity's best interests, check that any money is used as it is expected it to be and the decision recorded in the minutes.
- **Other Organisations** - in the event that the trustees wished to support an organisation that isn't a charity, they are aware of and would comply with the Charity Commission's guidance on doing so.

Grants will be made based on the funding available and solely on merit.

## Achievements and Performance

### Activity

The Paloma Foundation registered with Gift Aid during the period.

### Donations

The first donation of £740,400 was received in January. Gift aid was applied for and a payment of £185,100 was received in June.

### Programme Related Investment (PRI)

At a Trustee meeting in June, the Trustees unanimously agreed to make a PRI which is intended directly to further The Palomas Foundation's charitable objectives. Due diligence was carried out and the loan was made at the end of June.

The PRI is a loan of £300,000 which was made to UKCS for a period of 5 years, with a coupon of 5% per annum, paid quarterly. The loan will help UKCS acquire 30-32 Tabard Street, London SE1 (the Property), for a price of £2.51 million. The Property is adjacent to UKCS's existing freehold ownership, which is let to LCS, and once refurbished and let to LCS will allow LCS to expand and grow the School, thereby enhancing UKCS's charitable objectives. The loan will be secured by a first charge on the freehold, ranking *pari passu* with the other loans being provided.

The acquisition is being funded by an increase of UKCS's existing loan, secured on the adjacent property only, to £2 million (from Kingdom Bank), plus a loan of £1.2 million, made up of £300,000 from The Paloma Foundation, £300,000 from a Jack Pitman's Donor Advised Fund with Stewardship and £600,000 from Mr Andrew Phillips.

The PRI will further The Paloma Foundation's charitable objectives of promoting the Christian faith by supporting UKCS whose own objective is to promote excellent Christian education, in accordance with their doctrinal statement, for children between the ages of 3 and 18 in London, and nationally, by providing administration and facilities to its member schools and by providing financial assistance to pupils who are in need, by all or any of the following means; 1. establishing a bursary fund for pupils who are in need, 2. supporting others in establishing and running Christian schools throughout the United Kingdom, 3. the promotion of the Christian faith through education and 4. the advancement of Christian education, for the public benefit, by means of classes, seminars, lectures, conferences, individual tuition and by all and any means whatsoever.

In addition, the 5% per annum coupon being received by The Paloma Foundation will provide an income to grant to others to further its own objectives.

The Trustees plan to stay in close direct contact with UKCS to monitor the progress of the planning application, the plans for the refurbishment and the financial progress of LCS over the next five years, to make sure that the expected progress is being made.

# Structure, Governance and Management

## Structure

The charity comprises of three Trustees and one volunteer. The Trustees delegate the day-to-day admin of the charity to Martine Beard (volunteer).

## Type of Governing Document

Constitution – based on the Charity Commission’s model governing document for Foundation Charitable Incorporated Organisations, i.e.: where the Trustees are the only Members of the charity.

## Charitable Objects

As defined in The Paloma Foundation’s Constitution (Governing Document) the charity’s objects (“objects”) are specifically restricted to the following:

The Paloma Foundation aims to help the advancement of the Christian faith in the UK or abroad by supporting charitable organisations or individuals involved in any of the following activities as an expression of the Christian life and faith:

- the relief of those in need, hardship or distress as a result of local, national or international disaster or by reason of hunger, disease, sickness or their social and/or economic circumstances;
- the training, care, and rehabilitation of people in prison and people with a conviction;
- the proclamation of the Christian Gospel in the UK and abroad through evangelism; and
- the promotion of Christian education and faith through preaching, Bible teaching or training, including but not limited to the provision of Christian literature or audio materials.

## Trustee Selection Methods

There must be at least three charity trustees. The maximum number of trustees is nine.

In appointing Trustees, due consideration is given to ensuring that the Trustees have, between them, the skills and experience necessary to manage the charity effectively and in accordance with charity law.

## Management

All decisions will be made by the Trustees. No decision shall be taken at a meeting unless a quorum is present at the time when the decision is taken. The quorum is two Trustees. A Trustee shall not be counted in the quorum present when any decision is made about a matter upon which he or she is not entitled to vote. Questions arising at a meeting shall be decided by a majority of those eligible to vote. In the case of an equality of votes, the decision shall not be carried.

## Financial Review

### Financial Position

Credits during the period totalled £929,321.91. This comprised of a £740,400 donation received in January, gift aid relating to the donation of £185,100 in June and the first repayment of the loan made to UKCS was received in September.

Payments during the period totalled £303,014.20; £184.00 of this was regular bank charges for Bankline services and payments made and £302,830.24 was the loan made to UKCS and associated costs.

The balance as at 31 December 2023 was £630,057.67. As the income has exceeded £500,000, we are now classed as a larger charity and are required to have our annual accounts externally reviewed. PEM have been appointed to carry out this review. We have prepared this report in line with SORP FRS 102.

A further donation of £746,000 is expected in Q4 2024 (gift aid has already been claimed) and another donation due in January 2025 of £120,000 plus a gift aid application can be made to increase this to £150,000.

### Principal Risks and Uncertainties

The principal risks and uncertainties identified by the Trustees are as follows;

- Governance, see Structure, Governance and Management above
- Operational. The principal operations are the making of investments and the making of grants, both of which are areas where the Trustees have extensive experience. The Paloma Foundation does not run any activities or operations itself, beyond these two activities.
- Financial. See review of financial position
- External factors such as compliance risk. The Paloma Foundation takes this and other similar external risks seriously and endeavours to keep up to date with the latest guidance produced by the Charity Commission and PEM as appointed accountant and external reviewer of accounts.

### Allocated Funds/Future Plans for Funds

The Paloma Foundation has been asked to consider making a Programme Related Investment of £250,000 to The Jericho Trust (Charity No 1205926) for five years with an annual coupon of 5% to enable the Trust to acquire a property at Thamesworks, Church Street, Chiswick W4 2PD. The proposed use of the building is partly as an HMO to accommodate care leavers, partly as a residential unit with communal space to be occupied by a Christian family who will manage the care facility and host Christian events and partly as commercial space leased to third party tenants to generate income. The Trust aim is to act as a resource, within a Christian ethos, for young people by providing advice and assistance and organising programmes of physical, educational and other activities as a means of: a) advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals. b) advancing education c) providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons. d) protecting and preserving good health. Any material change to this "Christian Ethos" will be an event of default under the terms of the loan. If this opportunity progresses then full due diligence will be carried out.

Also, the Foundation is considering supporting the activities of StandOut by way of a grant, to be confirmed. StandOut is an award-winning charity that empowers people to rebuild their lives after prison. Through a three-phase programme, they help participants discover their potential, make

positive changes and prepare for life after release. Each journey is individual, and leaving prison isn't easy. That's why StandOut provides one-to-one coaching and support that bridges the transition between prison and the community. They are determined that more people leaving prison are empowered to make positive change that has an impact on them, their families, and society. The charity is run according to a Christian ethos.

#### Future Direction of Charity

There are no plans for the future direction of The Paloma Foundation to change materially from the aims and strategy as set out above.

The Paloma Foundation has been asked to consider making a Programme Related Investment of £250,000 to The Jericho Trust (Charity

## Public Benefits Statement

The Trustees of The Paloma Foundation confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit in deciding what activities the charity undertake and may undertake in the future. In particular, the Trustees believe that the principal aim of the Foundation to help the advancement of the Christian faith will benefit the wider public as, through doing this, the Foundation enables members of the public to better understand their purpose in life and to enjoy the moral framework that arises from understanding the Christian faith. In addition, the Foundation seeks to work for the public good through its charitable purposes which include the relief of those in need, hardship or distress as a result of local, national or international disaster or by reason of hunger, disease, sickness or their social and/or economic circumstances as well as the training, care, and rehabilitation of people in prison and people with a conviction.

Signed on behalf of the Trustees:

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**Jack Pitman**

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**Date**



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**THE PALOMA FOUNDATION**

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**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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THE PALOMA FOUNDATION

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THE PALOMA FOUNDATION

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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Trustees	Mr Jack Pitman, Chair Mr Philip Baxter Mr Joe Froud
Charity registered number	1187153
Principal office	Henry Wood House 4-5 Langham Place London W1B 3DG
Independent Examiner	Peters Elworthy & Moore Chartered Accountants Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA
Bankers	Royal Bank of Scotland 250 Bishopsgate London EC2M 4AA
Solicitors	Wedlake Bell LLP 71 Queen Victoria Street London EC4V 4AY

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## THE PALOMA FOUNDATION

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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The Trustees present their annual report together with the financial statements of the Charity for the year 1 January 2023 to 31 December 2023.

#### OBJECTIVES AND ACTIVITIES

##### a. Aims

The Paloma Foundation aims to help the advancement of the Christian faith in the UK or abroad by supporting charitable organisations or individuals involved in activities as an expression of the Christian life and faith. See the charitable objects below for a more detailed explanation.

The Paloma Foundation will be funded in due course by donations. It is intended that these donations will be used to acquire income producing UK commercial property investments or make secured loans with the aim of producing a regular source of income. This income will be used to make grants in accordance with the Charitable Objects.

The Trustees of The Paloma Foundation confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit in deciding what activities the Charity undertake and may undertake in the future. In particular, the Trustees believe that the principal aim of the Charity to help the advancement of the Christian faith will benefit the wider public as, through doing this, the Charity enables members of the public to better understand their purpose in life and to enjoy the moral framework that arises from understanding the Christian faith. In addition, the Charity seeks to work for the public good through its charitable purposes which include the relief of those in need, hardship or distress as a result of local, national or international disaster or by reason of hunger, disease, sickness or their social and/or economic circumstances as well as the training, care, and rehabilitation of people in prison and people with a conviction.

##### b. Charitable Objects

As defined in The Paloma Foundation's Constitution (Governing Document) the Charity's objects ("objects") are specifically restricted to the following:

- the relief of those in need, hardship or distress as a result of local, national or international disaster or by reason of hunger, disease, sickness or their social and/or economic circumstances;
- the training, care, and rehabilitation of people in prison and people with a conviction;
- the proclamation of the Christian Gospel in the UK and abroad through evangelism; and
- the promotion of Christian education and faith through preaching, Bible teaching or training, including but not limited to the provision of Christian literature or audio materials.

##### c. The Paloma Foundation's Strategy for Achieving its Aims

There are three stages to the Charity's strategy for achieving its aims:

1. Build a robust financial base (see Financial Review below)
2. Invest funds to create a sustainable annual income to be used for making grants. These investments are likely to be a combination of:
  - UK commercial real estate investments, acquired to provide rental income
  - Loans to entities which are sympathetic to our aims, generally secured on a property asset, to facilitate each entity's activities and to generate income via an annual coupon
  - Other UK real estate to be occupied by entities which are sympathetic to our aims, acquired to facilitate

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## THE PALOMA FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### OBJECTIVES AND ACTIVITIES (CONTINUED)

their activities and leased to them to provide rental income

3. As this sustainable income base is established, make grants (see Grant-making policy below) funded by this income

#### **d. The Short and Longer Term Aims and Objectives**

The short term aim and objective is to build a robust financial base and then to create a sustainable annual income, while beginning to make grants/programme related investments to promote the aims of the Charity. The longer term aim and objective is to advance the Charity's aims by expanding the grant making/programme related investments as the income grows.

The Trustees are also looking to use their deep knowledge and experience of the UK real estate market to own buildings and make loans on buildings. Providing liquidity, in the form of secured loans paying an annual coupon, will enable entities which are sympathetic to our aims to acquire buildings where their activities can take place. This liquidity could, for example, enable the entity to acquire and renovate or improve an asset and allow them the time to raise funds from supporters or raise conventional bank debt to repay the Charity's loan. The Charity's first transaction, the providing of a Programme Related Investment in 2023 to the UK Christian School, is an early example of that.

#### **e. Grant-making Policy**

**Funding Criteria.** The Charity will consider all applications that fall within our charitable purposes and meet our funding criteria and, for which, the due diligence process has not identified any unacceptable issues.

- **Charities** - organisations must have a written constitution, with exclusively charitable aims, and be run by a minimum of at least 2 trustees.
  - In making grants, Trustees will comply with Charity Commission guidance, to ensure that it is in the Charity's best interests, check that any money is used as it is expected to be and the decision recorded in the minutes.
- **Other Organisations** - in the event that the Trustees wished to support an organisation that isn't a Charity, they are aware of and would comply with the Charity Commission's guidance on doing so.
  - In particular, they would ensure that the grant is only to further the Charity's purposes, any funding of support costs would be limited to the specified activities, services or outcomes, the grant agreement requires the above be complied with, there is no more than incidental personal benefit and the Trustees can demonstrate that the decision is in the Charity's best interests.

Grants will be made based on the funding available and solely on merit.

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## THE PALOMA FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### ACHIEVEMENTS AND PERFORMANCE

##### a. Review of Activities

###### Activity

The Paloma Foundation registered with HMRC to claim Gift Aid during the period.

###### Donations

The first donation of £740,400 was received in January. Gift Aid was applied for and a payment of £185,100 was received in June.

###### Programme Related Investment (PRI)

At a Trustee meeting in June, the Trustees unanimously agreed to make a programme related investment (PRI), which is intended directly to further the Charity's charitable objectives. Due diligence was carried out and the loan was made at the end of June.

The PRI is a loan of £300,000 which was made to UK Christian Schools Ltd (UKCS) for a period of 5 years, with a coupon of 5% per annum, paid quarterly. The loan helped UKCS acquire 30-32 Tabard Street, London SE1 (the Property), for a price of £2.51 million. The Property is adjacent to UKCS's existing freehold ownership, which is let to London Christian School (LCS), and once refurbished and let to LCS will allow it to expand and grow the School, thereby enhancing UKCS's charitable objectives. The loan will be secured by a first charge on the freehold, ranking *pari passu* with the other loans being provided.

The PRI will further The Paloma Foundation's charitable objectives of promoting the Christian faith by supporting UKCS whose own objective is to promote excellent Christian education, in accordance with their doctrinal statement, for children between the ages of 3 and 18 in London, and nationally, by providing administration and facilities to its member schools and by providing financial assistance to pupils who are in need, by all or any of the following means; 1. establishing a bursary fund for pupils who are in need, 2. supporting others in establishing and running Christian schools throughout the United Kingdom, 3. the promotion of the Christian faith through education and 4. the advancement of Christian education, for the public benefit, by means of classes, seminars, lectures, conferences, individual tuition and by all and any means whatsoever.

In addition, the 5% per annum coupon being received by the Charity will provide an income to grant to others to further its own objectives.

The Trustees plan to stay in close direct contact with UKCS to monitor the progress of the planning application, the plans for the refurbishment and the financial progress of LCS over the next five years, to make sure that the expected progress is being made.

##### b. Fundraising Activities

The Charity does not currently engage in significant fundraising activities, nor does it employ or engage professional fundraisers or commercial participators. As such, the Charity is not registered with the Fundraising Regulator. However, if fundraising activities increase in future, the Charity will review this. The Charity is committed to avoiding any intrusive fundraising approaches and will never apply undue pressure on a person to give money or other property. The Charity did not receive any complaints relating to fundraising activities.

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## THE PALOMA FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### FINANCIAL REVIEW

##### a. Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### b. Reserves Policy

The Charity holds reserves to cover unexpected financial shocks, such as a material fall in funding and a sudden increase in expenditure. The policy of the Charity is to hold free reserves equivalent to 6 months' expenditure. This is between £10,000 and £15,000. Free reserves (equivalent to unrestricted funds less designated funds) were £627,658, which is above the range targeted by the Trustees. The Trustees are working to reduce excess reserves by making grants.

##### c. Review of Financial Position and Performance

During the year, total income amounted to £933,072, of which £925,500 was unrestricted donations and £7,572 was unrestricted interest income. A further donation of £746,000 is expected in Q4 2024 (Gift Aid has already been claimed) and another donation due in January 2025 of £120,000 plus a Gift Aid application can be made to increase this to £150,000.

A programme related investment of £300,000 was made during the year. Charitable expenditure totaled £5,414, of which £3,014 was direct and £2,400 was support and governance.

The net surplus during the year was £927,658.

At the year-end, total funds amounted to £927,658, all of which were unrestricted. Funds totalling £300,000 were designated during the year to represent the programme related social investment; this fund is expected to be realised at the end of the five-year loan period.

##### d. Principal Risks and Uncertainties

The principal risks and uncertainties identified by the Trustees are as follows:

- Governance, see Structure, Governance and Management below.
- Operational. The principal operations are the making of investments and the making of grants, both of which are areas where the Trustees have extensive experience. The Paloma Foundation does not run any activities or operations itself, beyond these two activities.
- Financial. See review of financial position above.
- External factors such as compliance risk. The Paloma Foundation takes this and other similar external risks seriously and endeavours to keep up to date with the latest guidance produced by the Charity Commission and PEM as appointed accountant and external reviewer of accounts.

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks

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## THE PALOMA FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### **e. Principal Funding**

The principal funding source of the Charity is donation funding. Going forwards, the Trustees are expecting investment income to become the principal source of funding.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **a. Constitution**

The Paloma Foundation is a registered charity, number 1187153, and is constituted under a CIO Constitution (foundation model).

##### **b. Methods of Appointment or Election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the CIO Constitution. The Charity comprises three Trustees and one volunteer. The Trustees delegate the day-to-day admin of the Charity to Martine Beard (volunteer).

There must be at least three charity Trustees. The maximum number of Trustees is nine.

In appointing Trustees, due consideration is given to ensuring that the Trustees have, between them, the skills and experience necessary to manage the Charity effectively and in accordance with charity law.

##### **c. Organisational Structure and Decision-Making Policies**

All decisions are made by the Trustees. No decision can be taken at a meeting unless a quorum is present at the time when the decision is taken. The quorum is two Trustees. A Trustee is not counted in the quorum present when any decision is made about a matter upon which he or she is not entitled to vote. Questions arising at a meeting are decided by a majority of those eligible to vote. In the case of an equality of votes, the decision is not carried.

##### **d. Policies Adopted for the Induction and Training of Trustees**

The induction of new Trustees is designed to provide a full briefing on the work of the Charity. It involves meetings with the other Trustees, covering the work of the Charity, policies and procedures and future direction. Trustees are given a welcome pack that includes a copy of the CIO constitution, the latest Annual Report and Accounts and copies of relevant Charity Commission guidance as well as other relevant material.

#### **Plans for future periods**

The Paloma Foundation has been asked to consider making a Programme Related Investment of £250,000 to The Jericho Trust (Charity No 1205926) for five years with an annual coupon of 5% to enable the Trust to acquire a property at Thamesworks, Church Street, Chiswick W4 2PD. The proposed use of the building is partly as an HMO to accommodate care leavers, partly as a residential unit with communal space to be occupied by a Christian family who will manage the care facility and host Christian events and partly as commercial space leased to third party tenants to generate income. The Trust aim is to act as a resource, within a Christian ethos, for young people by providing advice and assistance and organising programmes of physical, educational and other activities as a means of: a) advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals. b) advancing education c) providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons. d) protecting and preserving good health. Any material change to this "Christian Ethos" will be an event of default under the terms



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## THE PALOMA FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Plans for future periods (CONTINUED)

of the loan. If this opportunity progresses then full due diligence will be carried out.

Also, the Charity is considering supporting the activities of StandOut by way of a grant, to be confirmed. StandOut is an award-winning charity that empowers people to rebuild their lives after prison. Through a three-phase programme, they help participants discover their potential, make positive changes and prepare for life after release. Each journey is individual, and leaving prison isn't easy. That's why StandOut provides one-to-one coaching and support that bridges the transition between prison and the community. They are determined that more people leaving prison are empowered to make positive change that has an impact on them, their families, and society. The Charity is run according to a Christian ethos.

#### Future Direction of the Charity

There are no plans for the future direction of The Paloma Foundation to change materially from the aims and strategy as set out above.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

The law applicable to charities in England & Wales 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the CIO Constitution. 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 members of the board of Trustees and signed on their behalf by:



**Mr Jack Pitman**  
**Chair**

Date: 30 October 2024

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## THE PALOMA FOUNDATION

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### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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#### INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PALOMA FOUNDATION ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2023.

#### RESPONSIBILITIES AND BASIS OF REPORT

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### INDEPENDENT EXAMINER'S STATEMENT

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

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**THE PALOMA FOUNDATION**

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**INDEPENDENT EXAMINER'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: 

Dated: 30 October 2024

Michael Hewett FCA DChA

PEM, Salisbury House, Station Road, Cambridge, CB1 2LA

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**THE PALOMA FOUNDATION**

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>INCOME FROM:</b>				
Donations	4	925,500	925,500	-
Investments	5	7,572	7,572	-
<b>TOTAL INCOME</b>		<b>933,072</b>	<b>933,072</b>	<b>-</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	6	5,414	5,414	-
<b>TOTAL EXPENDITURE</b>		<b>5,414</b>	<b>5,414</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>927,658</b>	<b>927,658</b>	<b>-</b>
<b>RECONCILIATION OF FUNDS:</b>				
Net movement in funds		927,658	927,658	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>927,658</b>	<b>927,658</b>	<b>-</b>

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

The notes on pages 13 to 20 form part of these financial statements.

THE PALOMA FOUNDATION

BALANCE SHEET  
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Social investments	10	300,000	-
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		630,058	-
Creditors: amounts falling due within one year	11	(2,400)	-
<b>NET CURRENT ASSETS</b>		627,658	-
<b>TOTAL NET ASSETS</b>		927,658	-
<b>CHARITY FUNDS</b>			
Unrestricted funds	12	927,658	-
<b>TOTAL FUNDS</b>		927,658	-

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr Jack Pitman  
Chair

Date: 30 October 2024

The notes on pages 13 to 20 form part of these financial statements.

THE PALOMA FOUNDATION

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash from operating activities	13	922,486	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest from investments		7,572	-
Programme related social investment		(300,000)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(292,428)	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		630,058	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	14	630,058	-

The notes on pages 13 to 20 form part of these financial statements

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## THE PALOMA FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. GENERAL INFORMATION

The Paloma Foundation is a charitable incorporated organisation (CIO) registered with the Charity Commission of England and Wales (charity registered number: 1187153). Its principal office is disclosed on page 1.

The functional and presentational currency of the Charity is GBP.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Paloma Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 2.2 GOING CONCERN

There are no material uncertainties in respect of the Charity's ability to continue as a going concern.

##### 2.3 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants and donations are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from programme related investments is recognised on a receivable basis. Receipts owing are accrued; receipts in advance are deferred.

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**THE PALOMA FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. ACCOUNTING POLICIES (CONTINUED)****2.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support and governance costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.6 PROGRAMME RELATED INVESTMENT**

Programme related investments are held at cost less impairment.

**2.7 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.8 FINANCIAL INSTRUMENTS**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.9 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.



THE PALOMA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of programme related investments

Programme related investments are valued at cost less impairment. When assessing the carrying value of the investments, the Trustees consider whether there are any impairment indicators and whether an impairment (or a reversal of a previous impairment) is required. The value of programme related investments subject to this judgement is £300,000 (2022 - £NIL).

4. INCOME FROM DONATIONS

	Unrestricted funds 2023 £	Total funds 2023 £
<b>DONATIONS</b>		
Donations	740,400	740,400
Gift Aid	185,100	185,100
	<u>925,500</u>	<u>925,500</u>

5. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £
Programme related investment interest	<u>7,572</u>	<u>7,572</u>

THE PALOMA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £
Charitable activities	5,414	5,414

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Charitable activities	3,014	2,400	5,414

ANALYSIS OF DIRECT COSTS

	Charitable activities 2023 £	Total funds 2023 £
Bank charges	184	184
Legal fees	2,830	2,830
	3,014	3,014

THE PALOMA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Charitable activities 2023 £	Total funds 2023 £
Accounts preparation (governance)	1,800	1,800
Independent examination (governance)	600	600
	<u>2,400</u>	<u>2,400</u>

8. INDEPENDENT EXAMINER'S REMUNERATION

	2023 £	2022 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	600	-
Fees payable to the Charity's independent examiner in respect of: Preparation of statutory financial statements	<u>1,800</u>	<u>-</u>

9. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

THE PALOMA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

10. SOCIAL INVESTMENTS

	Programme related investments £
<b>COST</b>	
Additions	300,000
<b>NET BOOK VALUE</b>	
At 31 December 2023	300,000
At 31 December 2022	-

Social investments comprise:

PROGRAMME RELATED INVESTMENTS

	Loans 2023 £	Total 2023 £
Loan to UK Christian Schools Ltd	300,000	300,000

The loan has been made to help UK Christian Schools Limited (UKCS) purchase new premises located at 30-32 Tabard Street, London. These premises will be used by UKCS to engage in activities that are aligned with those of the Paloma Foundation. The loan is repayable in five years' time and yields interest of 5% per annum.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Accruals	2,400	-

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**THE PALOMA FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**12. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2023 £
<b>UNRESTRICTED FUNDS</b>				
<b>DESIGNATED FUNDS</b>				
UK Christian Schools	-	-	300,000	300,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>GENERAL FUNDS</b>				
General Fund	933,072	(5,414)	(300,000)	627,658
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>933,072</b>	<b>(5,414)</b>	<b>-</b>	<b>927,658</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Designated funds**

The UK Christian Schools fund represents the loan made to UK Christian Schools Ltd to finance the purchase of their new premises located at 30-32 Tabard Street, London. Further details of this programme related social investment are included in Note 10 .

**13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	927,658	-
	<hr/>	<hr/>
<b>ADJUSTMENTS FOR:</b>		
Interest from investments	(7,572)	-
Increase in creditors	2,400	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>922,486</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

THE PALOMA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

14. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	630,058	-

15. ANALYSIS OF CHANGES IN NET DEBT

	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	630,058	630,058
	630,058	630,058

16. RELATED PARTY TRANSACTIONS

During the year, total donations (including Gift Aid) received from Trustees amounted to £925,500. There were no other related party transactions during the year (2022 - £NIL).

Peters Elworthy & Moore  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

The Paloma Foundation  
Henry Wood House  
4-5 Langham Place  
London  
W1B 3DG

Dear Sirs

The following representations are made on the basis of enquiries of management with relevant knowledge and experience such as we consider necessary in connection with your report on the charity's financial statements for the year ended 31 December 2023. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

#### General

1. We acknowledge that the work performed by you is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and that you do not express an audit opinion.
2. We confirm that the charity was entitled to exemption under section 144 of the Charities Act 2011 from the requirement to have its financial statements for the financial year ended 31 December 2023 audited.
3. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 18 October 2024 under the Charities Act 2011, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view.
4. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
5. All the accounting records and related financial information, including minutes of all management and trustee meetings and correspondence with The Charity Commission have been made available to you for the purpose of your work.

#### Assets and liabilities

6. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, except for those that are disclosed as applicable in the notes to the financial statements.
7. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as applicable.
8. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

#### Loans and arrangements

9. The charity has not granted any advances or credits to, or made guarantees on behalf of, trustees other than those disclosed in the financial statements.

#### Legal claims

10. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed as applicable in the financial statements.

#### Laws and regulations

11. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

#### Related parties

12. Related party relationships and transactions have been appropriately accounted for and disclosed as applicable in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of charity law or accounting standards.
13. We confirm that the donations received from trustees during the year have no conditions attached and can be used freely by the charity.

#### Subsequent events

14. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed as applicable.

#### Going concern

15. We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

#### Grants and donations

16. All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

Yours faithfully



**Jack Pitman (Chair)**

Signed on behalf of the board of trustees

Date: 30 October 2024