

THE JOSHUA TRUST

and its Subsidiary Companies

CHARITY REGISTRATION NUMBER 255922

TRUSTEES' REPORT

- and -

AUDITED ACCOUNTS

FROM 1 APRIL 2020

TO

31 MARCH 2021

THE JOSHUA TRUST
and its Subsidiary Companies
Charity Registration Number 255922

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THE JOSHUA TRUST

and its Subsidiary Companies

Charity Registration Number 255922

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

R. Grussgott
Mrs. R Grussgott
S. Grussgott
Mrs. K Grussgott
C. Landau
M. Rubin

CHARITY'S CONTACT AND PRINCIPAL ADDRESS

R. Grussgott
88 Edgware Way
Edgware
HA8 8JS

DETAILS OF FORMATION

The Charity was created by Declaration of Trust on 10 April 1968 and registered with the Charity Commission on 30 May 1968 under Charity Number 255922

BANKERS

The Royal Bank of Scotland PLC
Barclays Bank PLC

SOLICITORS

Olswang LLP

INDEPENDENT AUDITOR

Stephen Sacks FCA
Senior Statutory Auditor
for Shears & Partners Limited
Chartered Accountants

THE JOSHUA TRUST

and its Subsidiary Companies

Charity Registration Number 255922

TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report along with the Audited Accounts of The Joshua Trust ("the Charity") and its Subsidiary Companies ("the Accounts") for the year ended 31 March 2021. The Accounts have been prepared in accordance with the Accounting Policies set out on Pages 11 to 13 and comply with the Declaration of Trust and applicable law.

- ***OBJECTIVES AND ACTIVITIES***

The Trustees shall stand possessed of the Trust Fund upon trust to pay or apply the whole of the income and the capital of the Trust Fund for those purposes, both in the United Kingdom and abroad, recognised as Charitable in English Law.

Monies are raised by way of investment income from both its own and its wholly owned subsidiaries' property assets and interest receivable from cash deposits. Investment income earned in the year amounted to £1,034k (2020: £1,023k)

Charities and Public Benefit

The Trustees have considered the Charity Commission's general guidance on public benefit and are satisfied that the Charity complies with that guidance.

Grant Making Policy

The Charity's policy is to act according to the Declaration of Trust which enables grants and donations to be made from both income and capital. All applications to the Charity for grants, donations or loans are considered carefully by the Trustees at regular meetings. On most occasions, if the Trustees feel that the application meets their approval in principle, they will meet applicants face to face and discuss with them the most effective way of providing assistance. The Trustees usually then have a further meeting before making a decision as to whether assistance should be granted, and if so, in what form and to what level.

The Trustees find that this is the most effective way of aiding applicants as it allows them flexibility in terms of deciding whether they will assist by way of a donation or an interest free loan and also ensures that each application is considered fairly.

- ***ACHIEVEMENTS AND PERFORMANCE***

The Trustees continued to support religious organisations, institutions of higher and further education, and institutions caring for the poor and sick.

The Trustees are delighted to announce that the Charity has been able to make Grants of some £741k (2020: £814k) to good causes during the year. The recipients who received Grants that were material to the total Grants made to Institutions are detailed in Note 7 to the Accounts.

THE JOSHUA TRUST

and its Subsidiary Companies

Charity Registration Number 255922

TRUSTEES' ANNUAL REPORT (*Continued*)

- **FINANCIAL REVIEW**

Review of the Charity's Financial Position at the end of the Financial Year

The Charity and its Subsidiaries Incoming Resources amounted to some £1,156k (2020: £1,143k). Resources Expended amounted to some £929k (2020: £1,063k) and there was a loss on disposal of an Investment Property which could no longer be let and that loss amounted to £1,412k (2020: £ Nil) hence there was a surplus/(deficit) for the year of some £(1,185)k (2020: £332k). The Charity and its Subsidiaries Consolidated Funds increased/(decreased) by the same amount (2020: increased/(decreased) by the same amount).

The Charity and its Subsidiaries own a portfolio of commercial investment properties registered both in its own name and in the names of its group undertakings, Addison Properties Limited and Pastbridge Limited. The Charity aims to achieve investment returns based on rental income in excess of 3.5% per annum (on market valuation) and based on capital growth of 7.5% per annum.

The policy has developed due to the Trustees' experience of the needs of the Charity's beneficiaries. It is felt that the beneficiaries will receive the greatest benefit from the Charity if the Charity provides regular contributions rather than one off lump sums. As such, they developed the policy to invest in commercial investment properties which yield substantial annual income which, when donated annually to the beneficiaries, allows them to meet the shortfalls in the beneficiaries' annual budgets. The experience of the Trustees is that the beneficiaries do not struggle to raise capital for one off projects, however, their biggest difficulty is raising funding for annual shortfalls.

The Trustees discuss the ongoing position of property investments at their quarterly board meetings.

Reserves Policy

The Charity's unrestricted funds are made up of two components:

a. ***General Reserve***

This has arisen mainly as a result of property disposals. Historically, sales proceeds were re-invested in a portfolio of other commercial investment properties which consistently produce substantial net rental income. The Trustees do not intend selling the income producing assets in order to maintain the continuing income stream therefrom.

b. ***Revaluation Reserve***

This arises as a result of the Charity's compliance with Current Accounting Standards which requires the Trustees to revalue Investments to their estimated current market value at each year end. This Reserve, which at the year end amounted to some £3.1m (2020: £4.4m) at the Group level and £6.2m (2020: £7.5m) at the Charity only level, is, by its very nature non-distributable, until such time that it is realised on the disposal of the underlying assets. The Trustees have no intention of disposing of the underlying income producing assets for the foreseeable future.

THE JOSHUA TRUST

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Charity Registration Number 255922

TRUSTEES' ANNUAL REPORT (*Continued*)

- ***FINANCIAL REVIEW*** (*Continued*)

Risk Management

The Trustees regularly consider the risks to which the Charity is exposed at their quarterly Trustee meetings, and systems designed to mitigate those risks are considered on an ongoing basis.

There are two major risks that have been identified by the Trustees. The first is the risk of a fall in property values and rental income. The Trustees feel that the risk is mitigated by their expertise in the property market, which they feel would allow them to protect the interests of the Charity. The Trustees spend a large amount of their personal time ensuring that the property investment portfolio is run on a professional basis.

The second is a fall in the value of the subsidiary undertakings. Since the subsidiaries are property investment companies, the Trustees can apply their expertise in overseeing the portfolios and thereby mitigate the abovementioned risks.

Other

During the year, the majority of the Charity's Investment Property portfolio was managed by the Trustees. This service was provided at no charge. The charge in the Accounts for Management Charges of £5k (2020: £5k) relates to properties that it is not practical due to their remote geographical locations for the Trustees to manage and hence they are managed by a third party manager.

- ***STRUCTURE, GOVERNANCE AND MANAGEMENT***

The Joshua Trust is constituted by a Declaration of Trust dated 10 April 1968 and was Registered with the Charity Commission on 30 May 1968 under Charity Number 255922.

The Trustees in office in the year were as follows:

R. Grussgott
Mrs. R Grussgott – appointed on 20 October 2020
S. Grussgott
Mrs. K Grussgott – appointed on 20 October 2020
C. Landau
M. Rubin

The power of appointing Trustees lies with the existing Trustees.

There are no policies adopted by the Trustees for the recruitment, induction and training of Charity Trustees. Due to the nature of the Charity's activities, most of the day to day work is learned through practical exposure and ultimately experience.

THE JOSHUA TRUST

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TRUSTEES' ANNUAL REPORT *(Continued)*

• **STRUCTURE, GOVERNANCE AND MANAGEMENT** *(Continued)*

Trustees' Responsibilities in Relation to the Accounts

The Law applicable to charities in England and Wales requires the Trustees to prepare Accounts 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 of the Charity for that year. In preparing the Accounts, the Trustees are required to:

- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts, and
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the Accounts comply with the Charities Act 2011 ("the 2011 Act"), the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Declaration of Trust. 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.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

In the case of each Trustee who is in office at the time when the Trustees' Report is approved:

- so far as the Trustees are aware, there is no relevant audit information (information needed by the Auditor of the Charity in connection with preparing his report) of which the Auditor of the Charity is unaware, and
- the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant information and to establish that the Auditor of the Charity is aware of that information.

• **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and Administrative Details are set out on Page 1 and form part of this report.

The Trustees declare that they have approved the Trustees' Report above.

S. GRUSSGOTT

Trustee

Date: 23 November 2021

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
THE JOSHUA TRUST

and its Subsidiary Companies

Charity Registration Number 255922

Opinion

We have Audited the Accounts of The Joshua Trust ("the Charity") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and the Charity's Balance Sheet, the Consolidated Cash Flow Statement, and the Notes to the Audited Accounts, including a summary of significant Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Accounts:

- give a true and fair view of the state of the Group's and of the Charity's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 ("the 2011 Act").

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 Accounts section of our report. We are independent of the Group and the Charity in accordance with the ethical requirements that are relevant to our Audit of the Accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in Note 16 to the Accounts, 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 Accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the Accounts 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 Accounts 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 Accounts and our Auditor's Report thereon. The Trustees are responsible for the other information. Our opinion on the Accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our Audit of the Accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Accounts or a material misstatement of the other information. 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 Report of the Trustees is inconsistent in any material respect with the Accounts; or
- sufficient accounting records have not been kept; or
- the Accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our Audit.

Auditor's responsibilities for the Audit of the Accounts

We have been appointed as Auditors under Section 151 of the 2011 Act and report in accordance with the 2011 Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the Accounts 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 the Accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are those that relate to:
 - which laws and regulations are significant to the Charity and why.
 - which financial reporting framework is significant to the Charity.
 - whether there were any complex taxation issues which are significant to the Charity and which might impact risks of material misstatement or elevate risks of non-compliance with laws and regulations.
 - whether there were any other significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the Accounts.

The key laws and regulations we have considered in this context included the 2011 Act and tax legislation. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the Accounts but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We assessed the risks of material misstatement in respect of fraud as follows:
 - We made fraud enquiries of the Trustees both before and during the audit.
 - Analytical procedures used to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF

THE JOSHUA TRUST

and its Subsidiary Companies

Charity Registration Number 255922

(Continued)

- The audit team discussed and identified particular areas that were susceptible to misstatement as part of their fraud discussion.
- The audit team identified any fraud risk factors in its discussion of related party relationships and transactions.
- Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.
 - We discussed with the Trustees our approach to understanding the Charity's policies and procedures for compliance with those laws and regulations.
 - We discussed with the Trustees and consequently gained an understanding of how instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented.
 - We discussed with the Trustees and made relevant enquiries of them before and during the audit?
- We corroborated our enquiries through:
 - We corroborated our enquiries as follows:
 - o review of Board minutes, where relevant;
 - o review of correspondence with HMRC or Charity Commission, where relevant;
 - o review of correspondence with other regulatory bodies, where relevant;
 - There was no contradictory evidence.
- We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.
 - We tested year-end journals only, or journal entries throughout the year. We used data analytics to identify journal entries demonstrating certain risk factors.
 - We considered the influence of performance targets on management to be a risk, and if so, procedures were designed to address this risk.
 - There were no transactions outside the normal course of business identified, and we corroborated that they were made for valid Charitable rationale.
- Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including:
 - We considered and designed audit procedures to address, for example:
 - o the possibility of fraudulent or corrupt payments made through third parties.
 - o the risk of bribery and corruption, including whether the Charity operates overseas, or makes grants overseas.
 - o where segregation of duties is limited or not in place at all.
 - We evaluated whether the selection and application of accounting policies by the Charity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
 - We incorporated an element of unpredictability in the selection of the nature, timing and extent of audit procedures.
- Where we identified transactions displaying identified risk criteria:
 - Further work was carried out where appropriate;
 - Additional testing to source information was carried out;
 - We had discussions with specialists on areas of the Accounts particularly susceptible to fraud.
- As part of our audit of our audit of the Accounts which have been Consolidated, we communicated with component accountants/auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the Accounts of the group.
- The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We considered the extent to which the audit was considered capable of detecting irregularities:
 - We considered how the audit would be affected by the likelihood of detection.
 - This included inter-alia discussion of:
 - o the inherent difficulty in detecting irregularities;
 - o the effectiveness of the entity's internal controls; and
 - o the nature, timing and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Accounts, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities for the Audit of the Accounts is located on the Financial Reporting Council's website at: <http://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 Trustees of the Charity, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees of the Charity as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Sacks (Senior Statutory Auditor)
Shears & Partners Limited
Chartered Accountants
Statutory Auditor

23 November 2021
 88 Edgware Way
 Edgware
 HA8 8JS

Shears & Partners Limited is eligible for appointment as Auditor of the Charity by virtue of its eligibility for appointment as Auditor of a company under of Section 1212 of the Companies Act 2006.

THE JOSHUA TRUST

and its Subsidiary Companies

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
INCOMING RESOURCES			
<i>Income and Endowments from:</i>			
Donations and Legacies	(4)	81,174	52,056
Investments	(5)	<u>1,033,764</u>	<u>1,022,933</u>
		1,114,938	1,074,989
<i>Other Incoming Resources</i>		<u>41,059</u>	<u>67,915</u>
Total Incoming Resources	(13)	<u>1,155,997</u>	<u>1,142,904</u>
RESOURCES EXPENDED			
<i>EXPENDITURE ON:</i>			
RAISING FUNDS	(6)	(167,277)	(228,074)
CHARITABLE ACTIVITIES	(7)	(741,000)	(814,000)
OTHER EXPENDITURE	(8)	<u>(20,620)</u>	<u>(20,620)</u>
Total Resources Expended	(13)	<u>(928,897)</u>	<u>(1,062,694)</u>
Gains/(Losses) on Disposal of Revalued Investments	(14)	<u>(1,412,122)</u>	<u>-</u>
NET INCOMING/(OUTGOING) RESOURCES	(14)	(1,185,022)	80,210
OTHER RECOGNISED GAINS/(LOSSES)			
Gains/(Losses) on Revaluation of Investments	(14)	-	252,002
Other Gains/(Losses)		<u>-</u>	<u>-</u>
Net Movement in Funds	(14)	(1,185,022)	332,212
RECONCILIATION OF FUNDS:			
TOTAL FUNDS BROUGHT FORWARD	(13)/(14)	<u>12,925,412</u>	<u>12,593,200</u>
TOTAL FUNDS CARRIED FORWARD	(13)/(14)	<u>£11,740,390</u> =====	<u>£12,925,412</u> =====

The Notes on Pages 11 to 21 form part of the Audited Accounts.

THE JOSHUA TRUST

and its Subsidiary Companies

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CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 MARCH 2021

	Note	Consolidated		Charity	
		31.3.2021	31.3.2020	31.3.2021	31.3.2020
		£	£	£	£
FIXED ASSETS					
Tangible Assets	(9)	301	501	300	500
Investments	(10)	<u>10,295,000</u>	<u>12,395,000</u>	<u>11,112,080</u>	<u>13,212,867</u>
		10,295,301	12,395,501	11,112,380	13,213,367
CURRENT ASSETS					
Debtors	(11)	588,148	554,470	629,213	501,138
Cash at Bank and in Hand		<u>1,224,251</u>	<u>390,200</u>	<u>66,477</u>	<u>32,594</u>
		1,812,399	944,670	695,690	533,732
CREDITORS: Amounts falling due within one year	(12)	<u>(367,310)</u>	<u>(414,759)</u>	<u>(67,680)</u>	<u>(821,687)</u>
NET CURRENT ASSETS/(LIABILITIES)		1,445,089	529,911	628,010	(287,955)
NET ASSETS		£11,740,390 =====	£12,925,412 =====	£11,740,390 =====	£12,925,412 =====
FUNDS OF THE GROUP/CHARITY					
Unrestricted Funds	(13)	5,507,769	8,547,827	5,507,769	5,451,480
Revaluation Reserve	(13)	<u>6,232,621</u>	<u>4,377,585</u>	<u>6,232,621</u>	<u>7,473,932</u>
TOTAL FUNDS	(13)	£11,740,390 =====	£12,925,412 =====	£11,740,390 =====	£12,925,412 =====

The Accounts were approved on 23 November 2021 and signed on behalf of all of the Trustees.

R. GRUSSGOTT

The Notes on Pages 11 to 21 form part of the Audited Accounts.

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CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	<u>Start of The Year</u>	<u>Cash In/(Out) Flows</u>	<u>Acq'n/Disp Subsidiaries</u>	<u>New Finance Leases</u>	<u>Fair Value Movements</u>	<u>Foreign Exch Movement</u>	<u>Other Non- Cash Changes</u>	<u>End of The year</u>
Cash	390,200	834,051						1,224,251
Cash Equivalents								
Overdrafts	(51,385)	36,572						(14,813)
Loans within 1 Year								
Loans After more than 1 Year								
Finance Lease Obligations								
	338,815	870,623						1,209,438

FOR THE YEAR ENDED 31 MARCH 2020

	<u>Start of The Year</u>	<u>Cash In/(Out) Flows</u>	<u>Acq'n/Disp Subsidiaries</u>	<u>New Finance Leases</u>	<u>Fair Value Movements</u>	<u>Foreign Exch Movement</u>	<u>Other Non- Cash Changes</u>	<u>End of The year</u>
Cash	432,522	(42,322)	-	-	-	-	-	390,200
Cash Equivalents	-	-	-	-	-	-	-	-
Overdrafts	-	(51,385)	-	-	-	-	-	(51,385)
Loans within 1 Year	-	-	-	-	-	-	-	-
Loans After more than 1 Year	-	-	-	-	-	-	-	-
Finance Lease Obligations	-	-	-	-	-	-	-	-
	432,522	(93,707)	-	-	-	-	-	338,815

THE JOSHUA TRUST

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NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS – 31 MARCH 2021

1. STATUTORY INFORMATION

The Joshua Trust is a Charitable Trust, domiciled in England and Wales, Charity Registration Number 255922. The Charity's Contact and Address are Mr Robert Grussgott, 88 Edgware Way, Edgware, HA8 8JS.

2. COMPLIANCE WITH ACCOUNTING STANDARDS

The Audited Accounts have been prepared in accordance with the provisions of FRS 102 (the Financial Reporting Standard applicable in the UK), the Charities FRS 102 SORP and the Charities SORP Update Bulletin 2.

There were no material departures from the above Accounting Standards.

3. ACCOUNTING POLICIES

a. Basis of Accounting

The Accounts have been prepared in accordance with the historical cost convention as modified by the Revaluation of Investments and in accordance with:

- The Charities Act 2011 ("the 2011 Act")
- The Financial Reporting Standard applicable in the UK FRS 102 ("FRS 102")
- The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Accounts in accordance with the Financial Reporting Standard applicable in the UK ("FRS 102") issued on 16 July 2014 the FRS 102 SORP ("the SORP").
- The Charities SORP (FRS 102) Update Bulletin 2 issued on 5 October 2018 ("the Charities SORP FRS 102").

The Charity constitutes a public entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The most significant areas of adjustment and key assumptions that affect items in the Accounts are to do with the risk of a fall in property values and rental income in the Charity or its subsidiaries (see Note 10 for more information). With respect to the next reporting period, 2020-21, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment returns and the performance of investment markets (see the Investment Policy and performance and risk management sections of the Trustees' Annual Report for more information).

b. Consolidated Accounts

The Accounts consolidate the results of the Charity and its Subsidiary Undertakings on a line by line basis. They also include separate details of the Balance Sheet of the Charity.

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NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS – 31 MARCH 2021 (*Continued*)

3. **ACCOUNTING POLICIES** (*Continued*)

c. **Voluntary Income**

Voluntary Income comprises donations that are accounted for in the SOFA when the Charity becomes entitled to the donation and any conditions for receipt are met.

d. **Investment Income**

Investment Income comprises rents and interest receivable, on an accruals basis.

e. **Raising Funds**

Investment Management Costs comprise Investment Property expenses including property costs and interest payable, on an accruals basis.

f. **Charitable Activities**

Charitable Activities comprise Grants and Donations made which are charged in the year in which the payment of funds is effected.

g. **Fixed Assets**

Tangible Assets – Depreciation

Depreciation is provided at the following Annual Rate in order to write the cost of each asset down to its estimated residual value over its useful economic life:

% On Written Down Value

Computer Equipment	33
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h. **Investment Property**

Investment properties are included at fair value. Gains/(Losses) are recognised in the Statement of Financial Activities. Deferred Taxation is not provided on these Gains/(Losses) because the Charity is exempt from Capital Gains Tax given its Registered Charity status.

i. **Liability Recognition**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity or its subsidiaries to the expenditure.

THE JOSHUA TRUST

and its Subsidiary Companies

*Charity Registration Number 255922***NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 (Continued)****3. ACCOUNTING POLICIES (Continued)****j. Fund Accounting**

The Unrestricted Funds held by the Charity are made up as follows:

General Reserve	This represents funds that can be used in accordance with the objects of the Charity at the discretion of the Trustees.
Revaluation Reserve:	This Reserve can only be used by the Charity upon transfer to the General Reserve when the revaluation is realised on the disposal of the underlying Investments.

ANALYSIS OF INCOME AND ENDOWMENTS FROM:**4. DONATIONS AND LEGACIES**

	2021 £	2020 £
Corporate Donors including Related Party (see Note 15)	81,174	52,056
Individual Donors	—	—
	£81,174 =====	£52,056 =====

5. INVESTMENTS

Rent Receivable	1,033,692	1,022,633
Interest Receivable	72	300
	£1,033,764 =====	£1,022,933 =====

THE JOSHUA TRUST

and its Subsidiary Companies

*Charity Registration Number 255922***NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 (Continued)****ANALYSIS OF EXPENDITURE ON:****6. RAISING FUNDS**

	2021 £	2020 £
Agent's Rent Collection Fees	7,237	6,299
Bad Debts	739	-
Bank Charges	563	534
Depreciation	200	260
General Expenses	26	26
Hire of Equipment	896	-
Insurance	16,150	19,887
Interest	-	3
Legal and Professional Fees	20,919	20,027
Letting Expenses	4,863	11,069
Light and Heat	5,898	11,543
Management Charges	5,000	5,000
Postage and Stationery	122	234
Rates and Water	8,761	34,299
Repairs and Maintenance	74,189	83,215
Salaries	19,410	32,841
Service Charges	262	1,873
Telephone	<u>2,042</u>	<u>964</u>
	<u>£167,277</u>	<u>£228,074</u>
	=====	=====

Salaries and Wages comprised the following:

Gross Salaries	19,410	32,841
Social Security Costs	<u>-</u>	<u>-</u>
	<u>£19,410</u>	<u>£32,841</u>
	=====	=====

The average number of employees including unpaid Trustees in the year was 6 (2020:6).

THE JOSHUA TRUST

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*Charity Registration Number 255922***NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 (Continued)****7. CHARITABLE ACTIVITIES****Analysis of Grants/Donations****Year Ended 31 March 2021**

	Grants to Individuals	Grants to Institutions £
Education	-	232,000
General Charitable	-	85,000
Relief of Poverty	-	269,500
Religious Organisations	-	5,000
Welfare	-	<u>149,500</u>
Total Grants/Donations Paid	£ - ==	£741,000 =====

Grants to particular Institutions that are material in the context of Grants to Institutions were made to the following Institutions for the following purposes:

Name of Institution	Purpose	Total Number of Grants Paid	Total Amount of Grants Paid £
Beis Aharon Trust	Education	4	80,000
Friends of Mercaz Hatorah Belz Macnivka	Welfare	<u>5</u>	<u>85,000</u>
Sub total		9	165,000
Grants immaterial to total grants made to Institutions		<u>63</u>	<u>576,000</u>
		72 ==	741,000 =====

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Charity Registration Number 255922

NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 *(Continued)*7. **CHARITABLE ACTIVITIES** *(Continued)***Analysis of Grants/Donations****Year Ended 31 March 2020**

	<i>Grants to Individuals</i>	<i>Grants to Institutions £</i>
<i>Education</i>	-	240,500
<i>General Charitable Purposes</i>	-	195,500
<i>Relief of Poverty</i>	-	228,000
<i>Religious Institutions</i>	-	-
<i>Welfare</i>	-	<u>150,000</u>
<i>Total Grants/Donations Paid</i>	£ - ==	£814,000 =====

Grants to particular Institutions that are material in the context of Grants to Institutions were made to the following Institutions for the following purposes:

<i>Name of Institution</i>	<i>Purpose</i>	<i>Total Number of Grants Paid</i>	<i>Total Amount of Grants Paid £</i>
<i>Beis Aharon Trust</i>	<i>Education</i>	6	100,000
<i>Kehal Yisroel D'Chasidei Gur</i>	<i>General Charitable</i>	5	100,000
<i>Yad Vochedes Association</i>	<i>Relief of Poverty</i>	7	86,000
<i>Friends of Mercaz Hatorah Belz Macnivka</i>	<i>Welfare</i>	<u>6</u>	<u>90,000</u>
<i>Sub total</i>		24	376,000
<i>Grants immaterial to total grants made to Institutions</i>		<u>69</u>	<u>438,000</u>
		93 ==	£814,000 =====

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**NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 (Continued)****8. OTHER EXPENDITURE**

	2021 £	2020 £
Accountancy Fees (including VAT)	10,120	10,120
Auditor's Remuneration (including VAT)	10,500	10,500
Others	—	—
	£20,620	£20,620
	=====	=====

The Auditors charged £3,470 (2020: £3,292) in respect of non-audit work carried out during the year principally for processing monthly payroll and other administrative assignments.

9. TANGIBLE ASSETS

	Computer Equipment Group £	Charity £
Cost		
At 1 April 2020	2,149	760
Additions	—	—
At 31 March 2021	2,149	760
	—	—
Depreciation		
At 1 April 2020	(1,648)	(260)
Charge for the Year	<u>(200)</u>	<u>(200)</u>
31 March 2021	(1,848)	(460)
	—	—
Net Book Value		
At 31 March 2021	£301	£300
	===	===
At 31 March 2020	£501	£500
	===	===

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NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS – 31 MARCH 2021 (Continued)

10. INVESTMENTS

Group

Freehold Land
& Buildings
£

Valuation and Net Book Value

At 1 April 2020	12,395,000
Additions/(Disposals)	(865,965)
Revaluation	<u>(1,234,035)</u>
At 31 March 2021	£10,295,000 =====
Cost	7,150,121
Revaluation	<u>3,144,879</u>
	£10,295,000 =====

Charity	Long Leasehold Land & Buildings £	Freehold Land & Buildings £	Subsidiary Undertakings £	Total £
Valuation and Net Book Value				
At 1 April 2020	300,000	9,140,000	3,772,867	13,212,867
Additions/(Disposals)	-	(865,965)	-	(865,965)
Revaluation	<u>-</u>	<u>(1,234,035)</u>	<u>(787)</u>	<u>(1,234,822)</u>
At 31 March 2021	£300,000 =====	£7,040,000 =====	£3,773,020 =====	£11,112,080 =====
Cost	64,347	4,814,303	4	4,878,654
Revaluation	<u>235,653</u>	<u>2,225,697</u>	<u>3,772,076</u>	<u>6,233,426</u>
	£300,000 =====	£7,040,000 =====	£3,772,080 =====	£11,112,080 =====

Subsidiary Undertakings

The Charity's investment in Subsidiary Undertakings comprises the following:

	Holding	Profit/(Loss) After Taxation for the Financial Year		Valuation of Holding	
		31 March 2021 £	31 March 2020 £	31 March 2021 £	31 March 2020 £
Addison Properties Limited – 01153532	100%	(787)	153	3,258,758	3,259,545
Pastbridge Limited – 06834596	100%	-	-	<u>513,322</u>	<u>513,322</u>
				£3,772,080 =====	£3,772,867 =====

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Charity Registration Number 255922

**NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 (Continued)****11. DEBTORS**

	Consolidated		Charity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Trade Debtors	263,695	172,582	12,759	6,431
Other Debtors	173,149	144,069	6,628	6,628
Amounts Owed by Group				
Undertakings	-	-	531,282	321,586
Charitable Loan Debtors	120,500	130,500	67,500	77,500
Prepayments and Accrued Income	<u>30,804</u>	<u>107,319</u>	<u>11,044</u>	<u>88,993</u>
	£588,148	£554,470	£629,213	£501,138
	=====	=====	=====	=====

12. CREDITORS: Amounts falling due within one year

	Consolidated		Charity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Bank Overdraft	14,813	51,385	-	-
Trade Creditors	13,879	36,578	12,979	4,232
Amount Owed to Group				
Undertaking	-	-	-	742,221
Other Creditors	140,778	159,211	43,705	62,190
Taxation and Social Security	63,934	28,006	-	-
Accruals and Deferred Income	<u>133,905</u>	<u>139,579</u>	<u>10,996</u>	<u>13,044</u>
	£367,310	£414,759	£67,680	£821,687
	=====	=====	=====	=====

THE JOSHUA TRUST

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**NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 (Continued)****13. FUNDS OF THE GROUP/CHARITY****Group Funds**

	Revaluation Reserve £	Unrestricted General Reserve £	Total £
Group Assets owned at 1 April 2020	4,377,585	8,547,827	12,925,412
Incoming Resources	-	1,155,997	1,155,997
Outgoing Resources	-	(928,897)	(928,897)
Gains/(Losses) on disposal of Revalued Investments	(1,234,035)	(178,087)	(1,412,122)
Other Gains/(Losses)	_____ -	_____ -	_____ -
Group Assets owned at 31 March 2021	£3,143,550 =====	£8,596,840 =====	£11,740,390 =====

Charity Funds

	Revaluation Reserve £	Unrestricted General Reserve £	Total £
At 1 April 2020	7,473,932	5,451,480	12,925,412
Net Incoming/(Outgoing) Resources	-	227,887	227,887
Gains/(Losses) on Disposal of Revalued Investments	(1,412,122)	-	(1,412,122)
Other Gains/(Losses)	_____ -	_____ (787)	_____ (787)
At 31 March 2021	£6,061,810 =====	£5,678,580 =====	£11,740,390 =====

14. RECONCILIATION OF NET GROUP MOVEMENT

	Revaluation Reserve £	Unrestricted General Reserve £	Total £
Group Assets at 1 April 2020	4,377,585	8,547,827	12,925,412
Net Incoming/(Outgoing) Resources	-	227,100	227,100
Other Movement in year in Consolidated SoFA	(1,234,035)	(178,087)	(1,412,122)
Other Gains/(Losses)	_____ -	_____ -	_____ -
Group Assets at 31 March 2021	£3,143,550 =====	£8,596,840 =====	£11,740,390 =====

THE JOSHUA TRUST

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*Charity Registration Number 255922***NOTES TO THE CONSOLIDATED AND CHARITY ACCOUNTS –
31 MARCH 2021 (Continued)****15. RELATED PARTY TRANSACTIONS**

During the year, the majority of the Charity's Investment Property portfolio was managed by the Trustees. This service was provided at no charge. The charge in the Accounts for Management Charges of £5k (2020: £5k) relates to properties that it is not practical due to their remote geographical locations for the Trustees to manage and hence they are managed by independent third-party managers.

The Charity received Donations from the following Related Parties:

	31 March 2021 £	31 March 2020 £
High Park Investments Limited	17,000	-
Nyfil Estates Limited	<u>2,000</u>	<u>-</u>
	£19,000 =====	£ - ==

Two of the Trustees have material interests in and are Directors of the above named Companies.

During the year, the Charity gave Donations to the following Related Parties:

	31 March 2021 £	31 March 2020 £
The Eliezer Foundation – 1126142	£20,000 =====	£18,000 =====

The Charity is run by the sister-in-law of two of the Charity's Trustees and her son.

	31 March 2021 £	31 March 2020 £
Terrace Limited – 1068555	£60,000 =====	£50,000 =====

One of the Trustees of Terrace Limited is also a Trustee of The Joshua Trust.

16. PROVISION OF NON-AUDIT SERVICES BY OUR AUDITORS

In common with many other entities of our size and nature we use our Auditors to prepare and submit returns to the tax authorities and assist with the preparation of our Accounts.