

CHARITY REGISTRATION NUMBER: 276441

Rachel Charitable Trust

Financial Statements

30 June 2021

COHEN ARNOLD

Chartered accountants & statutory auditor

New Burlington House

1075 Finchley Road

London

NW11 0PU

Rachel Charitable Trust
Financial Statements
Year ended 30 June 2021

	Page
Trustees' annual report	1
Independent auditor's report to the members	5
Statement of financial activities	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12

Rachel Charitable Trust

Trustees' Annual Report

Year ended 30 June 2021

The trustees present their report and the financial statements of the charity for the year ended 30 June 2021.

Reference and administrative details

Registered charity name	Rachel Charitable Trust
Charity registration number	276441
Principal office	Fourth Floor 30 Market Place London W1W 8AP
The trustees	Mr L Noé Mrs S D Noé Mr S Kanter LLB Hons Mr S M Noé (Appointed 31 January 2022)
Charity secretary	Mr R Chalk
Auditor	Cohen Arnold Chartered accountants & statutory auditor New Burlington House 1075 Finchley Road London NW11 0PU
Bankers	Metro Bank 1 Southampton Row London WC1B 5HA
Solicitors	Fladgate LLP 16 Great Queen Street London WC2B 5DG

Structure, governance and management

Governing document

The organisation is governed by a Trust Deed dated 9 July 1978.

Appointment Training and Recruitment of Trustees

The organisation is run by the trustees who do not receive any remuneration in their capacity as trustees (see Note 11).

The statutory power of appointing new trustees or a new trustee is exercisable by the trustees during their joint lives and thereafter by the survivor of them.

Rachel Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 30 June 2021

Structure, governance and management *(continued)*

Risk Management

The trustees have identified and reviewed the major risks to which the Trust is exposed, in particular those related to the operations and finance of the Trust, and are satisfied that systems are in place to mitigate those risks.

Financial risk management and policies

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

- a) to finance its operations
- b) to manage its exposure to interest and currency risks arising from operations and from its sources of finance; and
- c) for generating funds.

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

Credit risks

The charity monitors credit risk closely and considers that its current policies of credit risk checks meets its objectives of managing exposure to credit risk.

The charity has no significant concentrations of credit risks. Amounts shown in the balance sheet represent the maximum credit exposure in the event other parties fail to perform their obligations under the financial instruments including charitable loans that are made in the furtherance of charitable objectives.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities

Charitable Objects

The charity was established for general charitable purpose and in particular for the relief of poverty and the advancement of religion and religious education.

Aims, Objectives and Activities for Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The trustees identify institutions and organisations which meet its above charitable objects and regularly support a number of these institutions and organisations, not only in England but also worldwide. In doing so the charity has complied with its duty to act for the public benefit in accordance with Section 4 of the Charities Act 2006.

The organisations and institutions which are regularly supported by Rachel Charitable Trust are growing and thus there is a continual call for support.

Rachel Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 30 June 2021

Achievements and performance

The main areas of charitable activity are the provision of financial support to organisations engaging in religious education, advancement of religion and philanthropic aid to the needy. Charitable distributions were funded from current year incoming resources. During the year, £2,436,535 (2020: £5,656,080) was distributed in furtherance of the charity's objectives. Over 60 institutions and organisations were the recipients of the above donations.

Financial review

The charity is dependent on income from investments and voluntary donations.

During the year the charity received £2 million representing an overage payment relating to the sale of one of the charity's properties in August 2018. This is included in Net Gains in Investments.

The charity derives its income from property investments, including, amongst others, investments in the retail sector. The trustees have always maintained a cautious approach, however the Covid-19 pandemic has created a very challenging environment for the retail sector and, as a consequence, one of the charity's investments, in the opinion of the trustees, has been impaired. The trustees are of the view that this may not be a permanent position and that value in the investment may return in the longer term; however, in line with the trustees' cautious approach they have written down that investment as at the date of these financial statements to £1.

This impairment does not affect the charity's ability to meet its commitments or pledges and level of giving to charitable causes.

Investment powers and performance

In accordance with the trust deed, the charity has the power to make any investments which the trustees see fit. The trustees regularly review the charity's position and needs in respect of the investment policy.

Plans for future periods

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory incoming resources.

Grant making policy

The charity accepts applications for grants from representatives of various charities, which are reviewed by the trustees on a regular basis.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which the trustees think appropriate after considering the future commitments of the charity and the likely administrative costs of the charity for the next year.

At the year end the charity had unrestricted funds totalling £20,482,084.

Fixed Assets

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

Land and buildings

The charity's investment properties have been valued by the charity's property advisers, and are stated at open market value.

Rachel Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 30 June 2021

Trustees' responsibilities statement

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 and Wales requires the charity trustees to prepare financial statements for each 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 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 17 February 2022 and signed on behalf of the board of trustees by:

Mr L Noé
Trustee



Rachel Charitable Trust
Independent Auditor's Report to the Members of Rachel Charitable Trust
Year ended 30 June 2021

Opinion

We have audited the financial statements of Rachel Charitable Trust (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Rachel Charitable Trust

Independent Auditor's Report to the Members of Rachel Charitable Trust *(continued)*

Year ended 30 June 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Rachel Charitable Trust

Independent Auditor's Report to the Members of Rachel Charitable Trust *(continued)*

Year ended 30 June 2021

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company through discussion with the trustees and identified which were most significant with respect to the financial statements. We identified financial reporting legislation (including related companies legislation), charities legislation and taxation legislation as being most significant to these financial statements. We communicated these identified frameworks throughout our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.
- We discussed with the trustees the policies and procedures regarding compliance with these legal and regulatory frameworks.
- We assessed the susceptibility of the company's financial statements to material misstatement due to non-compliance of legal and regulatory frameworks, including how fraud might occur, by enquiry with the trustees during the planning and finalisation phases of our audit and using proprietary disclosure checklists. This was determined to be low.
- Based on this understanding we designed our audit procedures to identify non-compliance with the identified legal and regulatory framework, which were part of our procedures on the related financial statement items. Our procedures included reviewing the company's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HMRC, testing transactions outside the normal course of the business and journal entries, and discussions with the trustees.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Rachel Charitable Trust
Independent Auditor's Report to the Members of Rachel Charitable Trust *(continued)*
Year ended 30 June 2021

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dov Harris FCA (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

17 February 2022

Rachel Charitable Trust
Statement of Financial Activities
Year ended 30 June 2021

		2021	2020
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Donations and legacies	4	3,605,000	3,605,000
Investment income	5	2,074,620	2,074,620
Total income		<u>5,679,620</u>	<u>5,679,620</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	6	(1,104,773)	(1,104,773)
Expenditure on charitable activities	7,8	(2,480,965)	(2,480,965)
Total expenditure		<u>(3,585,738)</u>	<u>(3,585,738)</u>
Net gain on investments	10	1,957,974	1,957,974
Net income/(expenditure)		<u>4,051,856</u>	<u>4,051,856</u>
Impairment loss	12	(2,410,373)	(2,410,373)
Net movement in funds		<u>1,641,483</u>	<u>1,641,483</u>
Reconciliation of funds			
Total funds brought forward		18,840,601	18,840,601
Total funds carried forward		<u>20,482,084</u>	<u>20,482,084</u>

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

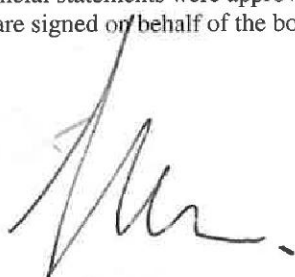
The notes on pages 12 to 22 form part of these financial statements.

Rachel Charitable Trust
Statement of Financial Position

		30 June 2021		2020	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	13	30,000		30,000	
Investments	14	34,754,369		37,534,975	
		<u>34,784,369</u>		<u>37,564,975</u>	
Current assets					
Debtors	15	2,053,786		896,835	
Cash at bank and in hand		2,183,919		985,230	
		<u>4,237,705</u>		<u>1,882,065</u>	
Creditors: amounts falling due within one year	16	(4,669,500)		(15,789,748)	
Net current liabilities		(431,795)		(13,907,683)	
Total assets less current liabilities		34,352,574		23,657,292	
Creditors: amounts falling due after more than one year	17	(13,870,490)		(4,816,691)	
Net assets		<u>20,482,084</u>		<u>18,840,601</u>	
Funds of the charity					
Unrestricted funds		20,482,084		18,840,601	
Total charity funds	18	<u>20,482,084</u>		<u>18,840,601</u>	

These financial statements were approved by the board of trustees and authorised for issue on 17 February 2022 and are signed on behalf of the board by:

Mr L Noé
Trustee



The notes on pages 12 to 22 form part of these financial statements.

Rachel Charitable Trust
Statement of Cash Flows
Year ended 30 June 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	4,051,856	(1,916,119)
<i>Adjustments for:</i>		
Net gains/(losses) on investments	(1,957,974)	147,393
Dividends, interest and rents from investments	(1,644,129)	(1,115,365)
Other interest receivable and similar income	(1,605)	(929)
Accrued (income)/expenses	(582,193)	2,343,690
Interest payable	683,818	1,254,644
<i>Changes in:</i>		
Trade and other debtors	(888,201)	173,272
Trade and other creditors	353,189	(78,035)
Cash generated from operations	14,761	808,551
Interest received	1,605	929
Net cash from operating activities	<u>16,366</u>	<u>809,480</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	1,513,486	1,230,987
Purchases of other investments	(93,000)	(141,127)
Proceeds from sale of other investments	2,421,208	200,000
Net cash from investing activities	<u>3,841,694</u>	<u>1,289,860</u>
Cash flows from financing activities		
Proceeds from borrowings	265,000	4,389,000
Repayments of borrowings	(1,969,553)	(4,350,233)
Interest paid	(954,818)	(1,289,230)
Net cash used in financing activities	<u>(2,659,371)</u>	<u>(1,250,463)</u>
Net increase in cash and cash equivalents	1,198,689	848,877
Cash and cash equivalents at beginning of year	985,230	136,353
Cash and cash equivalents at end of year	<u>2,183,919</u>	<u>985,230</u>

The notes on pages 12 to 22 form part of these financial statements.

Rachel Charitable Trust
Notes to the Financial Statements
Year ended 30 June 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Fourth Floor, 30 Market Place, London, W1W 8AP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

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

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

Going concern

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

Judgements and key sources of estimation uncertainty

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

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

Governance Costs

Governance costs include the cost of the preparation and audit of the financial statements and the cost of any legal advice to the trustees on governance or constitutional matters.

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

3. Accounting policies *(continued)*

Taxation

The charity is not liable to direct taxation on its income which falls within the various exemptions available to registered charities. As a result no deferred tax is provided on timing differences. The charity is registered for Value Added Tax (VAT) in respect of its investment properties and is therefore able to reclaim any input tax it suffers on its property expenses and purchases. Expenditure in the accounts other than on investment property is therefore shown inclusive of VAT where appropriate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations is accounted for only when received.
- interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

3. Accounting policies *(continued)*

Resources expended

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

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Charitable activities

Grants payable are charged to the statement of financial activities once the charity has made a commitment to pay the grant and this has been communicated to the beneficiary or the grant has been paid, whichever is earlier.

Charitable commitments are provided for in the financial statements if there is a legal or constructive obligation at the year end.

Charitable commitments are derecognised when the charity's contractual obligations are discharged or cancelled.

Tangible assets

This is the charity's property which is intended for functional use. This is stated at cost and is treated as such until it is expected that fair value will be reliably measurable on a going concern basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

All investment properties are stated at trustees' valuation, assisted by RICS qualified professionals.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

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

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

4. Donations and legacies

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Donations				
General Donations	3,605,000	3,605,000	4,069,933	4,069,933

Donations received in the year include £154,000 (2020: £81,118) from one of the trustees of the charity.

5. Investment income

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Rental Income	2,073,015	2,073,015	1,791,042	1,791,042
Bank Interest Receivable	1,605	1,605	929	929
	<u>2,074,620</u>	<u>2,074,620</u>	<u>1,791,971</u>	<u>1,791,971</u>

6. Investment management costs

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Management costs	88,266	88,266	55,636	55,636
Property repairs and maintenance charges	42,628	42,628	230,023	230,023
Rates and insurance	42,037	42,037	37,263	37,263
Legal & professional fees	225,637	225,637	183,447	183,447
Other portfolio management costs	22,387	22,387	169,308	169,308
Interest payable and bank charges	683,818	683,818	1,255,132	1,255,132
	<u>1,104,773</u>	<u>1,104,773</u>	<u>1,930,809</u>	<u>1,930,809</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Donations made	2,436,535	2,436,535	5,656,080	5,656,080
Support costs	44,430	44,430	43,741	43,741
	<u>2,480,965</u>	<u>2,480,965</u>	<u>5,699,821</u>	<u>5,699,821</u>

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

8. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Donations made	<u>2,436,535</u>	<u>44,430</u>	<u>2,480,965</u>	<u>5,699,821</u>

All donations were made to charitable institutions whose objects are in line with the objects of the charity which include the relief of poverty, advancement of religion and religious education.

Included in the charitable activities are the following material grants made during the year:

	2021 £
The Kemach Foundation	698,612
The Ruzin Sadagora Trust	230,000
Other donations less than £200,000	<u>1,507,923</u>
	<u>2,436,535</u>

9. Analysis of support costs

	Audit fees £	Governance costs £	Total 2021 £	Total 2020 £
Support costs	<u>11,094</u>	<u>33,336</u>	<u>44,430</u>	<u>43,741</u>

10. Net gain on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gain on investments	<u>1,957,974</u>	<u>1,957,974</u>	<u>(147,393)</u>	<u>(147,393)</u>

Included in the gain on investments is a revaluation loss of £93,000.

11. Trustee remuneration and expenses

The charity has no staff other than the three trustees and a secretary all of whom give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil).

The charity did not meet any expenses incurred by the trustees for services provided to the charity (2020: £nil).

12. Impairment loss

	2021 £	2020 £
Impairment loss	<u>2,410,373</u>	<u>—</u>

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

12. Impairment loss *(continued)*

The charity derives its income from property investments, including, amongst others, investments in the retail sector. The trustees have always maintained a cautious approach, however the Covid-19 pandemic has created a very challenging environment for the retail sector and, as a consequence, one of the charity's investments, in the opinion of the trustees, has been impaired. The trustees are of the view that this may not be a permanent position and that value in the investment may return in the longer term.

13. Tangible fixed assets

	Land and buildings £
Cost	
At 1 July 2020 and 30 June 2021	<u>30,000</u>
Depreciation	
At 1 July 2020 and 30 June 2021	<u>—</u>
Carrying amount	
At 30 June 2021	<u>30,000</u>
At 30 June 2020	<u>30,000</u>

Tangible fixed assets are initially recorded at cost. This is the charity's property which is intended for functional use. This is stated at cost and is treated as such until it is expected that fair value will be reliably measurable on a going concern basis.

14. Investments

	Listed investments £	Investment properties £	Other investments £	Total £
Cost or valuation				
At 1 July 2020	14,601	31,650,000	5,870,374	37,534,975
Additions	—	93,000	—	93,000
Disposals	—	(75,000)	—	(75,000)
Fair value movements	4,767	(93,000)	—	(88,233)
Other movements	—	—	(300,000)	(300,000)
At 30 June 2021	<u>19,368</u>	<u>31,575,000</u>	<u>5,570,374</u>	<u>37,164,742</u>
Impairment				
At 1 July 2020			—	—
Disposals			—	—
Impairment losses			(2,410,373)	(2,410,373)
At 30 June 2021			<u>(2,410,373)</u>	<u>(2,410,373)</u>
Carrying amount				
At 30 June 2021	<u>19,368</u>	<u>31,575,000</u>	<u>3,160,001</u>	<u>34,754,369</u>
At 30 June 2020	<u>14,601</u>	<u>31,650,000</u>	<u>5,870,374</u>	<u>37,534,975</u>

All investments shown above are held at valuation.

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

14. Investments *(continued)*

Investment properties

The freehold investment properties are stated at trustees' valuation, assisted by RICS qualified professionals, at 30 June 2021. The trustees have extensive experience in the field of property investment and valuation accumulated over a considerable period of time. The valuation is based on the trustees' understanding of property market conditions and the specific properties concerned, using a sales valuation approach, derived from recent comparable transactions on the market, adjusted by applying discounts to reflect status of occupation and condition.

The historical cost of the freehold investment properties is £33,064,449 (2020: £33,198,696).

Other non-UK securities are included in the financial statements at their fair value as at the balance sheet date.

Financial assets held at fair value

The listed share investments are valued at fair value based on stock exchange value as at 30 June 2021.

15. Debtors

	2021 £	2020 £
Trade debtors	1,323,138	679,521
Prepayments and accrued income	402,832	134,082
Other debtors	327,816	83,232
	<u>2,053,786</u>	<u>896,835</u>

16. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	529,701	11,572,053
Trade creditors	315,486	—
Accruals and deferred income	72,568	211,978
Social security and other taxes	133,957	96,254
Trustee's loan account	1,550,000	1,285,000
Other creditors	2,067,788	2,624,463
	<u>4,669,500</u>	<u>15,789,748</u>

The bank loans are secured on the investment properties of the charity.

The charity seeks to reduce its exposure to financial risk by ensuring that most of its exposure to adverse interest rate movements is limited through the use of fixed rate financial liabilities.

The trustee, Mr L Noé, has confirmed that he will not demand repayment of his loan, which is interest-free, until the charity is in a position to do so, of its own volition. Since the balance sheet date, £1.48 million has been repaid.

Other creditors include charitable commitments of £1,343,681 (2020: £1,767,464) pledged to be paid within one year.

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

17. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	13,333,240	4,260,441
Other creditors	537,250	556,250
	<u>13,870,490</u>	<u>4,816,691</u>

Other creditors include charitable commitments of £537,250 (2020: £556,250) pledged to be paid more than one year after the Balance Sheet date.

18. Analysis of charitable funds

Unrestricted funds

	At 1 July 2020	Income	Expenditure	Gains and losses	At 30 June 2021
	£	£	£	£	£
General funds	<u>18,840,601</u>	<u>3,269,247</u>	<u>(3,585,738)</u>	<u>1,957,974</u>	<u>20,482,084</u>

	At 1 July 2019	Income	Expenditure	Gains and losses	At 30 June 2020
	£	£	£	£	£
General funds	<u>20,756,720</u>	<u>5,861,904</u>	<u>(7,630,630)</u>	<u>(147,393)</u>	<u>18,840,601</u>

19. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2021
	£	£
Tangible fixed assets	34,784,369	34,784,369
Current assets	4,237,705	4,237,705
Creditors less than 1 year	(4,669,500)	(4,669,500)
Creditors greater than 1 year	(13,870,490)	(13,870,490)
Net assets	<u>20,482,084</u>	<u>20,482,084</u>

	Unrestricted Funds	Total Funds 2020
	£	£
Tangible fixed assets	37,564,975	37,564,975
Current assets	1,882,065	1,882,065
Creditors less than 1 year	(15,789,748)	(15,789,748)
Creditors greater than 1 year	(4,816,691)	(4,816,691)
Net assets	<u>18,840,601</u>	<u>18,840,601</u>

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Financial assets measured at fair value through income and expenditure	<u>34,784,369</u>	<u>37,564,975</u>
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>4,237,705</u>	<u>1,882,065</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>18,539,990</u>	<u>20,606,439</u>

21. Analysis of changes in net debt

	At 1 Jul 2020 £	Cash flows £	At 30 Jun 2021 £
Cash at bank and in hand	985,230	1,198,689	2,183,919
Debt due within one year	(11,572,053)	11,042,352	(529,701)
Debt due after one year	(4,260,441)	(9,072,799)	(13,333,240)
	<u>(14,847,264)</u>	<u>3,168,242</u>	<u>(11,679,022)</u>

22. Operating lease commitments

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	1,706,444	1,700,712
Later than 1 year and not later than 5 years	3,909,494	4,191,003
Later than 5 years	1,415,322	1,436,169
	<u>7,031,260</u>	<u>7,327,884</u>

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2021

23. Related parties

During the year the charity paid £302,540 (2020: £126,550) for legal services charged by Fladgate LLP, a firm in which Mr S Kanter, trustee of the charity, is a partner. The partnership provided their services at a discounted charitable rate. The details are as follows:

	2021	2020
	£	£
Investment Management Costs	191,290	85,050
Property sale	1,250	–
Capitalised Finance Costs	110,000	41,500
	<u>302,540</u>	<u>126,550</u>

During the year, the charity made grants to charitable organisations that have some trustees in common with Rachel Charitable Trust. In addition, at the year end there were commitments to these charities in relation to their ongoing projects.

The relevant details are as follows:

	Charitable expenditure	Charitable commitments
	£	£
The Kemach Foundation	677,032	362,148
Kemach Kidum Miktzoe Chareidi	259,608	–
Kisharon	63,350	60,000
	<u>999,990</u>	<u>422,148</u>