

REGISTERED CHARITY NUMBER: 276441

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
FOR
RACHEL CHARITABLE TRUST**

Mellnek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

RACHEL CHARITABLE TRUST
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FOR THE YEAR ENDED 30 JUNE 2022

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RACHEL CHARITABLE TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2022

TRUSTEES	L Noe S D Noe S Kanter S M Noe (appointed 31.1.22)
CHARITY SECRETARY	R Chalk
PRINCIPAL ADDRESS	30 Market Place London W1W 8AP
REGISTERED CHARITY NUMBER	276441
AUDITORS	Melinek Fine LLP Chartered Accountants Statutory Auditors First Floor, Winston House 349 Regents Park Road London N3 1DH
SOLICITORS	Fladgate LLP 16 Great Queen Street London WC2B 5DG
BANKERS	Metro Bank 1 Southampton Row London WC1B 5HA

RACHEL CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

The trustees present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

Grantmaking

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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, £2,704,152 (2021:£2,436,535) was distributed in furtherance of the charity's objectives. Over 60 institutions and organisations were the recipients of the above donations.

FINANCIAL REVIEW

Financial position

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

Investment income in the year was £2,049,559 (2021:£2,074,620) and voluntary donation income in the year was £3,803,561 (2021:£3,605,000).

Expenditure before charitable donations for the year was £1,083,125 (2021:£1,149,203). Charitable donations in the year were £2,704,152 (2021:£2,436,535).

Net income before gains and losses on investments in the year was £2,065,843 (2021:£2,093,882). Gains from revaluation of investments in the year were £4,127,247 (2021:£452,399 loss).

Investment policy and objectives

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.

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

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
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022

FINANCIAL REVIEW

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 consider is 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 £26,675,174 (2021:£20,482,084).

The trustees have reviewed the cashflow projections of the charity and given the projected flow of rental and other income the charity has sufficient cash to meet its commitments as they fall due.

FUTURE PLANS

The charity's strategy is to manage its investments over the long term to produce a sustainable income stream to fund future grant-making activity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Recruitment and appointment of new trustees

The organisation is run by the trustees who do not receive any remuneration in their capacity as trustees.

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.

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 meet 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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RACHEL CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022


STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 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.

Approved by order of the board of trustees on 30 March 2023 and signed on its behalf by:


.....
L. Nôe - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RACHEL CHARITABLE TRUST

Opinion

We have audited the financial statements of Rachel Charitable Trust (the 'charity') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires 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 financial statements; or
- sufficient 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RACHEL CHARITABLE TRUST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the trustees and other management (as required by auditing standards).

We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statements items.

With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the trustees and management.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

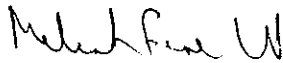
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
RACHEL CHARITABLE TRUST**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Melinek Fine LLP
Chartered Accountants
Statutory Auditors
First Floor, Winston House
349 Regents Park Road
London
N3 1DH

Date: 30/3/2023

RACHEL CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

		2022 Unrestricted fund £	2021 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	3	3,803,561	3,605,000
Investment Income	4	<u>2,049,559</u>	<u>2,074,620</u>
Total		<u>5,853,120</u>	<u>5,679,620</u>
 EXPENDITURE ON			
Raising funds	5	995,551	1,138,109
Charitable activities	6		
Education and training		1,470,909	1,051,030
The advancement of health		100,280	95,760
The prevention and relief of poverty		624,635	602,626
Religious activities		179,161	297,499
Other charitable purposes		329,167	389,620
Other		<u>87,574</u>	<u>11,094</u>
Total		<u>3,787,277</u>	<u>3,585,738</u>
 Net gains/(losses) on investments		<u>4,127,247</u>	<u>(452,399)</u>
 NET INCOME		6,193,090	1,641,483
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>20,482,084</u>	<u>18,840,601</u>
 TOTAL FUNDS CARRIED FORWARD		<u>26,675,174</u>	<u>20,482,084</u>

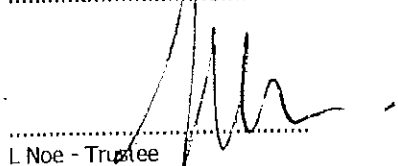
The notes form part of these financial statements

RACHEL CHARITABLE TRUST

BALANCE SHEET 30 JUNE 2022

	Notes	2022 Unrestricted fund £	2021 Total funds £
FIXED ASSETS			
Tangible assets	13	30,000	30,000
Investments			
Investments	14	2,829,836	3,179,369
Investment property	15	40,210,000	31,575,000
		43,069,836	34,784,369
CURRENT ASSETS			
Debtors	16	1,733,981	2,053,786
Cash at bank		613,103	2,183,919
		2,347,084	4,237,705
CREDITORS			
Amounts falling due within one year	17	(4,071,783)	(4,669,500)
NET CURRENT LIABILITIES		(1,724,699)	(431,795)
TOTAL ASSETS LESS CURRENT LIABILITIES		41,345,137	34,352,574
CREDITORS			
Amounts falling due after more than one year	18	(14,669,963)	(13,870,490)
NET ASSETS		26,675,174	20,482,084
FUNDS	21		
Unrestricted funds		26,675,174	20,482,084
TOTAL FUNDS		26,675,174	20,482,084

The financial statements were approved by the Board of Trustees and authorised for issue on 30 March 2023 and were signed on its behalf by:


L. Noe - Trustee

The notes form part of these financial statements

RACHEL CHARITABLE TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>1,180,578</u>	<u>1,522,248</u>
Net cash provided by operating activities		<u>1,180,578</u>	<u>1,522,248</u>
Cash flows from investing activities			
Purchase of investment property		(4,508,220)	(93,000)
Sale of fixed asset investments		350,000	2,421,207
Interest received		<u>2,025</u>	<u>1,605</u>
Net cash (used in)/provided by investing activities		<u>(4,156,195)</u>	<u>2,329,812</u>
Cash flows from financing activities			
Proceeds from borrowings		2,496,493	-
Loan repayments in year		(548,724)	(1,969,553)
Interest paid		<u>(542,968)</u>	<u>(683,818)</u>
Net cash provided by/(used in) financing activities		<u>1,404,801</u>	<u>(2,653,371)</u>
Change in cash and cash equivalents in the reporting period		(1,570,816)	1,198,689
Cash and cash equivalents at the beginning of the reporting period		<u>2,183,919</u>	<u>985,230</u>
Cash and cash equivalents at the end of the reporting period		<u>613,103</u>	<u>2,183,919</u>

The notes form part of these financial statements

RACHEL CHARITABLE TRUST
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	2022	2021	
	£	£	
Net income for the reporting period (as per the Statement of Financial Activities)	6,193,090	1,641,483	
Adjustments for:			
(Gain)/losses on investments	(4,127,247)	452,399	
Interest received	(2,025)	(1,605)	
Interest payable	542,968	683,818	
Decrease/(Increase) in debtors	319,805	(1,156,951)	
Decrease in creditors	(1,746,013)	(96,896)	
Net cash provided by operations	<u>1,180,578</u>	<u>1,522,248</u>	
 2. ANALYSIS OF CHANGES IN NET DEBT			
	At 1.7.21	Cash flow	At 30.6.22
	£	£	£
Net cash			
Cash at bank	<u>2,183,919</u>	<u>(1,570,816)</u>	<u>613,103</u>
	<u>2,183,919</u>	<u>(1,570,816)</u>	<u>613,103</u>
Debt			
Debts falling due within 1 year	(529,701)	(1,145,946)	(1,675,647)
Debts falling due after 1 year	<u>(13,333,240)</u>	<u>(801,823)</u>	<u>(14,135,063)</u>
	<u>(13,862,941)</u>	<u>(1,947,769)</u>	<u>(15,810,710)</u>
Total	<u>(11,679,022)</u>	<u>(3,518,585)</u>	<u>(15,197,607)</u>

The notes form part of these financial statements

RACHEL CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going concern

As part of the trustees' assessment of going concern, the trustees have reviewed the cash flow projections of the charity. In light of the projected flow of rental income and the current and future committed support from the charity's lender, it is the opinion of the trustees, that the charity has sufficient cash to meet its commitments as they fall due.

Future assumption continues to be that the income will continue from the charity's investments, and the risks are subject to ensuring that lessees continue to be suitable for letting to tenants.

Income

All income is recognised 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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.

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.

Tangible fixed 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.

RACHEL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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.

Investment property

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

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

Taxation

The charity is exempt from tax on its charitable activities. 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 therefore is 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 result.

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 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.

RACHEL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

1. ACCOUNTING POLICIES - continued

Financial instruments

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.

2. CRITICAL ACCOUNTING 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.

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.

Investment properties

Investment properties are valued by the trustees with reference to current market rents and yields for similar properties, in addition to available information in respect of resale values and property specific factors such as location and condition of the property. Therefore the valuations are subject to a degree of uncertainty, particularly in periods of difficult market or economic conditions.

Investments

The company makes an estimate of the fair value of unlisted investments. When assessing fair value of such investments, management considers factors including the current net assets and profitability of the investment.

Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. The estimation of impairments is such that actual outcomes could differ significantly from those estimates.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	<u>3,803,561</u>	<u>3,605,000</u>

RACHEL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	2,047,534	2,073,015
Deposit account interest	2,025	1,605
	<u>2,049,559</u>	<u>2,074,620</u>

5. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Management costs	58,414	88,266
Property repairs & Maintenance costs	42,109	42,628
Rates & Insurance	97,272	42,037
Legal & Professional fees	228,050	258,973
Other portfolio management cost	26,738	22,387
Interest payable & bank charge	542,968	683,818
	<u>995,551</u>	<u>1,138,109</u>

6. CHARITABLE ACTIVITIES COSTS

The total grants paid to institutions during the year was as follows:

	2022	2021
	£	£
The Kemach Foundation	686,055	698,612
Other donations less than £300,000	2,018,097	1,737,923
	<u>2,704,152</u>	<u>2,436,535</u>

7. GRANTS PAYABLE

	2022	2021
	£	£
Education and training	1,470,909	1,051,030
The advancement of health	100,280	95,760
The prevention and relief of poverty	624,635	602,626
Religious activities	179,161	297,499
Other charitable purposes	329,167	389,620
	<u>2,704,152</u>	<u>2,436,535</u>

All donations were made to charitable institutions whose objects are in line with the objects of the charity.

RACHEL CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

8. SUPPORT COSTS

	Governance costs
	£
Other resources expended	<u>9,435</u>

9. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>9,435</u>	<u>11,094</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

11. STAFF COSTS

There were no staff costs for the year ended 30 June 2022 nor for the year ended 30 June 2021.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund
	£
INCOME AND ENDOWMENTS FROM	
Donations and legacies	3,605,000
Investment income	<u>2,074,620</u>
Total	<u>5,679,620</u>
EXPENDITURE ON	
Raising funds	1,138,109
Charitable activities	
Education and training	1,051,030
The advancement of health	95,760
The prevention and relief of poverty	602,626
Religious activities	297,499
Other charitable purposes	389,620
Other	<u>11,094</u>
Total	<u>3,585,738</u>
Net gains/(losses) on investments	<u>(452,399)</u>
NET INCOME	1,641,483

RACHEL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
RECONCILIATION OF FUNDS	
Total funds brought forward	18,840,601
TOTAL FUNDS CARRIED FORWARD	<u>20,482,084</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 July 2021 and 30 June 2022	<u>30,000</u>
NET BOOK VALUE	
At 30 June 2022	<u>30,000</u>
At 30 June 2021	<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. FIXED ASSET INVESTMENTS

	Listed Investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 July 2021	19,368	3,160,001	3,179,369
Disposals	-	(350,000)	(350,000)
Revaluations	467	-	467
At 30 June 2022	<u>19,835</u>	<u>2,810,001</u>	<u>2,829,836</u>
NET BOOK VALUE			
At 30 June 2022	<u>19,835</u>	<u>2,810,001</u>	<u>2,829,836</u>
At 30 June 2021	<u>19,368</u>	<u>3,160,001</u>	<u>3,179,369</u>

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

Cost or valuation at 30 June 2022 is represented by:

	Listed Investments £	Unlisted investments £	Totals £
Valuation in 2021	4,767	(2,410,373)	(2,405,606)
Valuation in 2022	467	-	467
Cost	<u>14,601</u>	<u>5,220,374</u>	<u>5,234,975</u>
	<u>19,835</u>	<u>2,810,001</u>	<u>2,829,836</u>

The listed share Investments are valued at fair value based on stock exchange value as at 30 June 2022.

RACHEL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 July 2021	31,575,000
Additions	4,508,220
Revaluation	<u>4,126,780</u>
At 30 June 2022	<u>40,210,000</u>
NET BOOK VALUE	
At 30 June 2022	<u>40,210,000</u>
At 30 June 2021	<u>31,575,000</u>

Investment properties are stated at trustees' valuation, assisted by RICS qualified professionals at 30 June 2022. 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 discounts to reflect status of occupation and condition.

The historic cost of the freehold investment properties is £37,572,669 (2021:£33,064,449).

Fair value at 30 June 2022 is represented by:

	£
Valuation in 2019	(1,537,576)
Valuation in 2020	141,127
Valuation in 2021	(93,000)
Valuation in 2022	4,126,780
Cost	<u>37,572,669</u>
	<u>40,210,000</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	171,742	375,025
Other debtors	1,205,819	1,275,929
Prepayments and accrued income	<u>356,420</u>	<u>402,832</u>
	<u>1,733,981</u>	<u>2,053,786</u>

Included in other debtors is an amount of £198,462 (2021:£325,392) owed by a charity with common trustees.

RACHEL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 19)	1,675,647	529,701
Trade creditors	9,157	3,747
Taxation and social security	105,745	133,957
Other creditors	<u>2,281,234</u>	<u>4,002,095</u>
	<u>4,071,783</u>	<u>4,669,500</u>

Other creditors include charitable commitments of £1,365,692 (2021:£1,343,681) pledged to be paid within one year.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 19)	14,135,063	13,333,240
Other creditors	<u>534,900</u>	<u>537,250</u>
	<u>14,669,963</u>	<u>13,870,490</u>

Other creditors include charitable commitments of £534,900 (2021:£537,250) pledged to be paid after one year.

19. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>1,675,647</u>	<u>529,701</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Bank loans more 5 yrs non-Inst	<u>14,135,063</u>	<u>13,333,240</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	<u>15,810,710</u>	<u>13,862,941</u>

RACHEL CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

21. MOVEMENT IN FUNDS

	At 1.7.21 £	Net movement in funds £	At 30.6.22 £
Unrestricted funds			
General fund	20,482,084	6,193,090	26,675,174
TOTAL FUNDS	<u>20,482,084</u>	<u>6,193,090</u>	<u>26,675,174</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,853,120	(3,787,277)	4,127,247	6,193,090
TOTAL FUNDS	<u>5,853,120</u>	<u>(3,787,277)</u>	<u>4,127,247</u>	<u>6,193,090</u>

Comparatives for movement in funds

	At 1.7.20 £	Net movement in funds £	At 30.6.21 £
Unrestricted funds			
General fund	18,840,601	1,641,483	20,482,084
TOTAL FUNDS	<u>18,840,601</u>	<u>1,641,483</u>	<u>20,482,084</u>

Comparative net movement in funds, Included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,679,620	(3,585,738)	(452,399)	1,641,483
TOTAL FUNDS	<u>5,679,620</u>	<u>(3,585,738)</u>	<u>(452,399)</u>	<u>1,641,483</u>

RACHEL CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

22. RELATED PARTY DISCLOSURES

During the year the charity paid £66,863 (2021: £302,540) 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 £	2021 £
Investment Management Costs	58,697	191,290
Property sale/purchase	-	1,250
Capitalised Finance Costs	<u>8,166</u>	<u>110,000</u>
	<u>66,863</u>	<u>302,540</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.

	Charitable expenditure £
The Kemach Foundation	686,055
Kemach Kldum Miktzoe Chareidl	126,930
The Jacob Foundation	<u>50,000</u>
	<u>862,985</u>

During the year, the Trustee, Mr L Noe was repaid £1,480,000 of his loan to the charity, further to which he donated £1,485,750 to the charity.
At the year end amounts owing to the Trustee was £70,000 (2021: £1,550,000).

23. FINANCIAL INSTRUMENTS

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

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure		
Financial assets measured at fair value through Income and expenditure	<u>43,039,836</u>	<u>34,784,369</u>
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>2,347,084</u>	<u>4,237,705</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>18,741,746</u>	<u>18,539,990</u>

RACHEL CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

24. OPERATING LEASE COMMITMENTS

As Lessor

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

	2022	2021
	£	£
Not later than 1 year	1,700,347	1,706,444
Later than 1 year and not later than 5 years	4,072,568	3,909,494
Later than 5 years	<u>1,928,100</u>	<u>1,415,322</u>
	<u>7,701,015</u>	<u>7,031,260</u>