

Charity Registration Number: 276441

Rachel Charitable Trust
Financial Statements
30 June 2017

COHEN ARNOLD
Chartered accountant & statutory auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

Rachel Charitable Trust
Financial Statements
Year ended 30 June 2017

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Rachel Charitable Trust

Trustees' Annual Report

Year ended 30 June 2017

The trustees present their report and the financial statements of the charity for the year ended 30 June 2017.

Reference and administrative details

| | |
|------------------------------------|--|
| Registered charity name | Rachel Charitable Trust |
| Charity registration number | 276441 |
| Principal office | 4th Floor 30 Market Place London W1W 8AP |
| The trustees | Mr L Noé Mrs S D Noé Mr S Kanter LLB Hons |
| Charity secretary | Mr A M Jacobs |
| Auditor | Cohen Arnold Chartered accountant & statutory auditor New Burlington House 1075 Finchley Road London NW11 0PU |
| Bankers | Metro Bank 1 Southampton Row London WC1B 5HA |
| Solicitors | CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF |

Structure, governance and management

Governing document

The organisation is governed by a Trust Deed dated 9th 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 notes 12 and 20).

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 2017

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 2017

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. Voluntary income was higher than the previous year. Charitable distributions during the year were funded from current year incoming resources.

Planning permission has been obtained in respect of a parcel of land owned by the charity and it is anticipated that this land will be sold for a substantial profit.

Financial review

The charity is dependent on income from investments and voluntary donations. During the year the investment income increased, and voluntary income also increased in comparison to the previous year.

At the year end the charity had £21.9m unrestricted funds.

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.

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 Colliers International Valuation UK LLP, the charity's property advisers in January 2018 and are stated at open market value which represents fair value.

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.

Rachel Charitable Trust
Trustees' Annual Report *(continued)*
Year ended 30 June 2017

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.

Cohen Arnold have been re-appointed as auditor for the ensuing year.

The trustees' annual report was approved on 29 March 2018 and signed on behalf of the board of trustees by:



Mr A M Jacobs
Charity Secretary

Rachel Charitable Trust
Independent Auditor's Report to the Members of Rachel Charitable Trust
Year ended 30 June 2017

Opinion

We have audited the financial statements of Rachel Charitable Trust (the 'charity') for the year ended 30 June 2017 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2017 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Rachel Charitable Trust

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

Year ended 30 June 2017

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.

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.

Rachel Charitable Trust

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

Year ended 30 June 2017

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.
- 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.



Jonathan Schwarz (Senior Statutory Auditor)
For and on behalf of
Cohen Arnold
Chartered accountant & statutory auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

29 March 2018

Rachel Charitable Trust
Statement of Financial Activities
For the Year Ended 30 June 2017

| | | 2017 | | 2016 |
|--|------|----------------------------|--------------------|--------------------|
| | Note | Unrestricted funds £ | Total funds £ | Total funds £ |
| Income and endowments | | | | |
| Donations and legacies | 4 | 7,081,198 | 7,081,198 | 6,459,507 |
| Investment income | 5 | 2,435,869 | 2,435,869 | 2,032,576 |
| Other income | 6 | 5,830,861 | 5,830,861 | – |
| Total income | | <u>15,347,928</u> | <u>15,347,928</u> | <u>8,492,083</u> |
| Expenditure | | | | |
| Expenditure on raising funds: | | | | |
| Investment management costs | 7 | (1,526,623) | (1,526,623) | (1,942,956) |
| Expenditure on charitable activities | 8,9 | (3,158,479) | (3,158,479) | (5,463,533) |
| Total expenditure | | <u>(4,685,102)</u> | <u>(4,685,102)</u> | <u>(7,406,489)</u> |
| Net gains/(losses) on investments | 11 | 213,529 | 213,529 | (2,427) |
| Net income | | <u>10,876,355</u> | <u>10,876,355</u> | <u>1,083,167</u> |
| Other recognised gains and losses | | | | |
| Fair value movements | | 4,027,885 | 4,027,885 | 873,979 |
| Net movement in funds | | 14,904,240 | 14,904,240 | 1,957,146 |
| Reconciliation of funds | | | | |
| Total funds brought forward | | 6,981,352 | 6,981,352 | 5,024,206 |
| Total funds carried forward | | <u>21,885,592</u> | <u>21,885,592</u> | <u>6,981,352</u> |

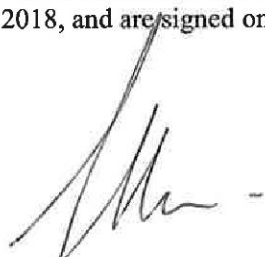
The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

Rachel Charitable Trust
Statement of Financial Position
At 30 June 2017

| | | 2017 | 2016 |
|--|----|---------------------|---------------------|
| | | £ | £ |
| Fixed assets | | | |
| Investments | 13 | 40,933,472 | 31,286,405 |
| Current assets | | | |
| Debtors | 14 | 1,253,658 | 638,654 |
| Cash at bank and in hand | | 838,925 | 816,866 |
| | | <u>2,092,583</u> | <u>1,455,520</u> |
| Creditors: amounts falling due within one year | 15 | <u>(2,366,736)</u> | <u>(1,365,813)</u> |
| Net current liabilities | | <u>(274,153)</u> | <u>89,707</u> |
| Total assets less current liabilities | | <u>40,659,319</u> | <u>31,376,112</u> |
| Creditors: amounts falling due after more than one year | 16 | <u>(18,773,727)</u> | <u>(24,394,760)</u> |
| Net assets | | <u>21,885,592</u> | <u>6,981,352</u> |
| Funds of the charity | | | |
| Unrestricted funds | | <u>21,885,592</u> | <u>6,981,352</u> |
| Total charity funds | 17 | <u>21,885,592</u> | <u>6,981,352</u> |

These financial statements were approved by the board of trustees and authorised for issue on 29 March 2018, and are signed on behalf of the board by:



Mr L Noé
Trustee

The notes on pages 11 to 19 form part of these financial statements.

Rachel Charitable Trust
Statement of Cash Flows
Year ended 30 June 2017

| | 2017 £ | 2016 £ |
|---|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| Net income | 10,876,355 | 1,083,167 |
| <i>Adjustments for:</i> | | |
| Net gains/(losses) on investments | (213,529) | 2,427 |
| Dividends, interest and rents from investments | (2,435,132) | (2,030,991) |
| Other interest receivable and similar income | (737) | (1,585) |
| Accrued (income)/expenses | (270,472) | 105,688 |
| <i>Changes in:</i> | | |
| Trade and other debtors | (615,004) | (394,018) |
| Trade and other creditors | 3,273 | (34,673) |
| Cash generated from operations | 7,344,754 | (1,269,985) |
| Interest received | 737 | 1,585 |
| Net cash from/(used in) operating activities | <u>7,345,491</u> | <u>(1,268,400)</u> |
| Cash flows from investing activities | | |
| Dividends, interest and rents from investments | 2,435,132 | 2,030,991 |
| Purchases of other investments | (6,342,250) | (28,624) |
| Proceeds from sale of other investments | 936,597 | 2,227,310 |
| Net cash (used in)/from investing activities | <u>(2,970,521)</u> | <u>4,229,677</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | (4,352,911) | (2,976,249) |
| Net cash used in financing activities | <u>(4,352,911)</u> | <u>(2,976,249)</u> |
| Net increase/(decrease) in cash and cash equivalents | 22,059 | (14,972) |
| Cash and cash equivalents at beginning of year | 816,866 | 831,838 |
| Cash and cash equivalents at end of year | <u>838,925</u> | <u>816,866</u> |

The notes on pages 11 to 19 form part of these financial statements.

Rachel Charitable Trust
Notes to the Financial Statements
Year ended 30 June 2017

1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is 4th 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

There are no material uncertainties about the charity's ability to continue.

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.

Income tax

The Charity is not liable to direct taxation (Income Tax) 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 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 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.

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2017

3. Accounting policies *(continued)*

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.

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.

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 fair valuation.

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 2017

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 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.

Finance costs are being amortised over 3 years.

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.

4. Donations and legacies

| | Unrestricted Funds £ | Total Funds 2017 £ | Unrestricted Funds £ | Total Funds 2016 £ |
|-------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Donations | | | | |
| General Donations | 7,081,198 | 7,081,198 | 6,459,507 | 6,459,507 |

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2017

5. Investment income

| | Unrestricted Funds | Total Funds 2017 | Unrestricted Funds | Total Funds 2016 |
|------------------------------------|-----------------------|-------------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Rental Income | 2,306,658 | 2,306,658 | 2,030,991 | 2,030,991 |
| Income from Fixed asset investment | 128,474 | 128,474 | — | — |
| Bank Interest Receivable | 699 | 699 | 1,585 | 1,585 |
| Other interest | 38 | 38 | — | — |
| | <u>2,435,869</u> | <u>2,435,869</u> | <u>2,032,576</u> | <u>2,032,576</u> |

6. Other income

| | Unrestricted Funds | Total Funds 2017 | Unrestricted Funds | Total Funds 2016 |
|--------------------------------|-----------------------|-------------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Loan write down on refinancing | <u>5,830,861</u> | <u>5,830,861</u> | <u>—</u> | <u>—</u> |

7. Investment management costs

| | Unrestricted Funds | Total Funds 2017 | Unrestricted Funds | Total Funds 2016 |
|--|-----------------------|-------------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Management costs | 54,220 | 54,220 | 45,951 | 45,951 |
| Property repairs and maintenance charges | 114,046 | 114,046 | 155,720 | 155,720 |
| Rates & Insurance | 63,133 | 63,133 | 106,195 | 106,195 |
| Legal & professional fees | 132,660 | 132,660 | 100,772 | 100,772 |
| Other portfolio management costs | 12,666 | 12,666 | 14,265 | 14,265 |
| Interest payable and bank charges | 1,149,898 | 1,149,898 | 1,520,053 | 1,520,053 |
| | <u>1,526,623</u> | <u>1,526,623</u> | <u>1,942,956</u> | <u>1,942,956</u> |

8. Expenditure on charitable activities by fund type

| | Unrestricted Funds | Total Funds 2017 | Unrestricted Funds | Total Funds 2016 |
|----------------|-----------------------|-------------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Donations made | 3,142,184 | 3,142,184 | 5,453,634 | 5,453,634 |
| Support costs | 16,295 | 16,295 | 9,899 | 9,899 |
| | <u>3,158,479</u> | <u>3,158,479</u> | <u>5,463,533</u> | <u>5,463,533</u> |

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2017

9. Expenditure on charitable activities by activity type

| | Grant funding of activities £ | Support costs £ | Total funds 2017 £ | Total fund 2016 £ |
|----------------|-------------------------------------|--------------------|-----------------------------------|-------------------------|
| Donations made | <u>3,142,184</u> | <u>16,295</u> | <u>3,158,479</u> | <u>5,463,533</u> |

The charity has during the year made charitable donations to various institutions and individuals and the donations have been made for general charitable purposes. Disclosure of the various institutions would seriously prejudice the charity and its recipients.

The charitable donations have been detailed in a separate publication entitled 'Rachel Charitable Trust – Schedule of Charitable Donations.' Copies of this schedule are available to members of the public, at a cost of £25, by writing to the Trustee Mr L Noe, Rachel Charitable Trust, 4th Floor, 30 market Place, London W1W 8AP by registered post.

10. Analysis of support costs

| | Analysis of support cost - Audit fees £ | Total 2017 £ | Total 2016 £ |
|------------|--|-------------------------|-----------------|
| Audit fees | <u>16,295</u> | <u>16,295</u> | <u>9,900</u> |

11. Net gains/(losses) on investments

| | Unrestricted Funds £ | Total Funds 2017 £ | Unrestricted Funds £ | Total Funds 2016 £ |
|--|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Gains/(losses) on other investment assets | <u>213,529</u> | <u>213,529</u> | <u>(2,427)</u> | <u>(2,427)</u> |

12. 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 (2016: £nil).

The charity did not meet any expenses (2016: £nil) incurred by the trustees for services provided to the charity.

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2017

13. Investments

| | Listed investments £ | Investment properties £ | Other investments £ | Total £ |
|---------------------------------|----------------------------|-------------------------------|---------------------------|-------------------|
| Cost or valuation | | | | |
| At 1 July 2016 | 12,405 | 31,260,000 | 14,000 | 31,286,405 |
| Additions | 2,887,275 | 3,454,975 | — | 6,342,250 |
| Disposals | — | (723,068) | — | (723,068) |
| Fair value movements | 89,292 | 3,938,093 | 500 | 4,027,885 |
| At 30 June 2017 | 2,988,972 | 37,930,000 | 14,500 | 40,933,472 |
| Impairment | | | | |
| At 1 July 2016 and 30 June 2017 | | | — | — |
| Carrying amount | | | | |
| At 30 June 2017 | 2,988,972 | 37,930,000 | 14,500 | 40,933,472 |
| At 30 June 2016 | 12,405 | 31,260,000 | 14,000 | 31,286,405 |

All investments shown above are held at valuation.

Investment properties

The charity's investment properties were valued by Colliers International Valuation UK LLP the charity's property advisors in January 2018 and are stated at fair value. Other Non-UK securities are included in the financial statements at their fair value as at the date of the statement of financial position. Unlisted securities are valued by the fund manager.

Financial assets held at fair value

The listed share investments are valued at fair value based on stock exchange value as at 30 June 2017.

14. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|------------------|----------------|
| Trade debtors | 778,645 | 619,319 |
| Prepayments and accrued income | 460,071 | 19,290 |
| Other debtors | 14,942 | 45 |
| | 1,253,658 | 638,654 |

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2017

15. Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|---------------------------------|------------------|------------------|
| Bank loans and overdrafts | – | 431,878 |
| Accruals and deferred income | 567,014 | 767,717 |
| Social security and other taxes | 99,722 | 166,218 |
| Trustee's loan account | 1,700,000 | – |
| | <u>2,366,736</u> | <u>1,365,813</u> |

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

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

| | 2017 £ | 2016 £ |
|---------------------------|-------------------|-------------------|
| Bank loans and overdrafts | <u>18,773,727</u> | <u>24,394,760</u> |

The loans are secured on the investment properties of the charity. The loans were refinanced by IGC- Longbow Senior Debt SA, repayable in April 2019 and United Mizrahi Tefahot Bank Limited, repayable in July 2018.

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.

17. Analysis of charitable funds

Unrestricted funds

| | At 1 July 2016 £ | Income £ | Expenditure £ | Gains and losses and Fair value adjustment £ | At 30 June 2017 £ |
|---------------|------------------------|-------------------|--------------------|--|-------------------------|
| General funds | 6,981,352 | 15,347,928 | (4,685,102) | 4,241,414 | 21,885,592 |
| | <u>6,981,352</u> | <u>15,347,928</u> | <u>(4,685,102)</u> | <u>4,241,414</u> | <u>21,885,592</u> |

18. Analysis of net assets between funds

| | Unrestricted Funds £ | Total Funds 2017 £ | Total Funds 2016 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 40,933,472 | 40,933,472 | 31,286,405 |
| Current assets | 2,092,583 | 2,092,583 | 1,455,520 |
| Creditors less than 1 year | (2,366,736) | (2,366,736) | (1,365,813) |
| Creditors greater than 1 year | (18,773,727) | (18,773,727) | (24,394,760) |
| Net assets | <u>21,885,592</u> | <u>21,885,592</u> | <u>6,981,352</u> |

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2017

19. Financial instruments

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

| | 2017 £ | 2016 £ |
|---|-------------------|-------------------|
| Financial assets measured at fair value through income and expenditure | | |
| Financial assets measured at fair value through income and expenditure | <u>4,027,885</u> | <u>873,979</u> |
| Financial assets that are equity instruments measured at cost less impairment | <u>3,003,472</u> | <u>26,405</u> |
| Financial assets that are debt instruments measured at amortisation cost | <u>2,092,583</u> | <u>1,455,520</u> |
| Financial liabilities that are measured at amortisation cost | <u>21,140,463</u> | <u>25,760,573</u> |

20. Related parties

Investment property management costs (Note 7) include:

a. £48,524 (2016: £45,951) for asset management services charged by BMO Real Estate Partners LLP. Mr L Noé had an interest in BMO Real Estate Partners LLP. The partnership provided its services at a net discounted charitable rate.

b. £223,518 (2016: £49,920) for legal services charged by Olswang LLP. On 1st May 2017, Olswang merged with CMS Cameron McKenna Nabarro Olswang LLP. Mr S Kanter is a partner in CMS and was a partner in Olswang. The partnerships provided their services at a discounted charitable rate

Charitable donations (Note 8) include donations totalling £272,741 (2016: £213,732) paid to charities with common trustees.

Donations received (Note 4) includes £625,000 (2016: nil) from the trustee, Mr L Noe and £106,250 (2016: nil) from the trustee, Mrs S. Noe. A donation of £1,890 (2016: £nil) was received from BMO REP Property Management Limited where Mr L Noé was a director. In addition, Mr Noe advanced the charity a sum of £1.7m (2016: £nil) (see Note 15).

Rachel Charitable Trust
Notes to the Financial Statements *(continued)*
Year ended 30 June 2017

21. Deferred Income

| | 2017 | 2016 |
|---------------------------|----------------|----------------|
| | £ | £ |
| At 1 July 2016 | 353,952 | 372,955 |
| Amount released to income | (353,952) | (372,955) |
| Amount deferred in year | 420,521 | 353,952 |
| | <u>420,521</u> | <u>353,952</u> |
| At 30 June 2017 | <u>420,521</u> | <u>353,952</u> |

Deferred income arises from rents received in advance.

22. Operating Lease commitments

As lessor

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

| | 2017 | 2016 |
|--|------------------|------------------|
| | £ | £ |
| Not later than 1 year | 1,753,864 | 1,611,573 |
| Later than 1 year and not later than 5 years | 3,936,285 | 4,379,094 |
| Later than 5 years | 966,367 | 1,125,018 |
| | <u>6,656,516</u> | <u>7,115,685</u> |