

COMPANY REGISTRATION NUMBER: 1713103

CHARITY REGISTRATION NUMBER: 287009

THE DAVID PEARLMAN CHARITABLE FOUNDATION

Company Limited by Guarantee

Financial Statements

For the year ended

30 September 2017

COHEN ARNOLD

Chartered accountant & statutory auditor

New Burlington House

1075 Finchley Road

LONDON

NW11 0PU

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE
Financial Statements
Year ended 30 September 2017

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THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE
Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 September 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 September 2017.

Reference and administrative details

Registered charity name The David Pearlman Charitable Foundation

Charity registration number 287009

Company registration number 1713103

Principal office and registered office Third Floor
9 White Lion Street
N1 9PD
London

The trustees Mr D A Pearlman
Mr M R Goldberger
Mr S Appleman
Mr J Hager
Mr H A Pearlman

Company secretary Mr M R Goldberger

Auditor Cohen Arnold
Chartered accountant & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2017

Structure, governance and management

Governing Document

The David Pearlman Charitable Foundation is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Organisation

The charity is administered by the governors who are the trustees. Every governor/trustee holds office until he/she shall die or shall cease to hold office by virtue of Article 48 of the Articles of Association.

The day-to-day affairs of the charity are administered by the Governors (Trustees) whose Chair is Mr D A Pearlman.

Where there is a requirement for new trustees, these are identified and appointed by the existing trustees. The chair of trustees is responsible for the induction of any new trustee, which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, and the history and philosophical approach of the charity. A new trustee receives copies of the previous year's annual report and accounts, with detailed explanation thereof.

Group Structure and Relationships

The charity has the following non-charitable operating subsidiary:

Company	Nature of Business	Percentage Holding
Portgrand Limited	Property Trading	100%

Related Parties

Details of transactions with Related Parties are disclosed in Note 22 to the Financial Statements.

Risk Management

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

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

Objectives and activities

The charity is established to further those purposes both in the United Kingdom and abroad recognised as charitable by English Law. To achieve these objects the charity utilizes its income to make grants and donations.

The charity's principal activity throughout the year was the provision and distribution of donations and grants to charities, and no change is envisaged in the immediate future.

The principal activity of charity's Subsidiary Undertaking is that of property dealing, and the Governors (Trustees) consider its results for the year ended 30 September 2017 to be satisfactory.

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 DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2017

Achievements and performance

During the year the charity continued its philanthropic activities in support of religious, education and other charitable institutions. The charity made charitable donations aggregating £508,690 (2016: £547,053).

The financial results of the charity and its Subsidiary Undertaking for the year to 30 September 2017 are fully reflected in the attached Financial Statements together with the Notes thereon.

Financial review

Financial Position

The financial position of the charity is satisfactory. The Statement of Financial Activities shows a net surplus for the year of £830,259 (2016: £524,484).

Reserve Policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserve 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.

As at 30 September 2017 the charity had £5,363,606 Unrestricted Funds and £649,350 Permanent Endowment Funds.

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment, which the Governors (Trustees) see appropriate. The Governors (Trustees) regularly review the Charity's position and needs in respect of the investment policy.

The Governors (Trustees) consider the return on investments, in terms of both income and capital growth, to be satisfactory.

The Governors (Trustees), having regard to the liquidity requirement of the charity and to the reserves policy have operated a policy of keeping available funds in an interest deposit account.

Grant Making Policy

Grants are made to charitable institutions and organisations which accord with the objects of the charity.

Plans for future periods

The Trustees plan to continue to make distributions in accordance with their grant making policy and to ensure that an appropriate level of reserves is maintained.

INVESTMENTS

The group's investment properties are included in the Financial Statements at valuation. The properties have been valued by the Governors (Trustees). The Governors (Trustees) are of the opinion that the open market value of the properties is at least equal to the amount stated in the Financial Statements.

The company's investment in its subsidiary undertaking is included in the Financial Statements at valuation, based on the market value of their underlying assets less liabilities. The valuation of properties and other assets in this company has been made by the Governors (Trustees) of this company. The trustees continue to review this investment on an annual basis and feel that it remains lucrative and safe.

**THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE**

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2017

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, 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).

Company law 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 charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 Companies Act 2006. 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.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

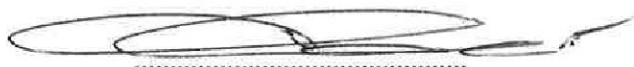
- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 19 June 18 and signed on behalf of the board of trustees by:



Mr M R Goldberger
Charity Secretary

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Independent Auditor's Report to the Members of The David Pearlman Charitable Foundation

Year ended 30 September 2017

Opinion

We have audited the financial statements of The David Pearlman Charitable Foundation (the 'charity') for the year ended 30 September 2017 which comprise the statement of financial activities (including income and expenditure account), 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 September 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 Companies Act 2006.

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.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

**Independent Auditor's Report to the Members of The David Pearlman Charitable
Foundation** *(continued)*

Year ended 30 September 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

**Independent Auditor's Report to the Members of The David Pearlman Charitable
Foundation (continued)**

Year ended 30 September 2017

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) 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.

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

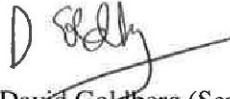
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

**THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE**

**Independent Auditor's Report to the Members of The David Pearlman Charitable
Foundation** *(continued)*

Year ended 30 September 2017

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.



David Goldberg (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered accountant & statutory auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

Date: 19 June 2018

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Statement of Financial Activities
(including income and expenditure account)

30 September 2017

			2017		2016
	Note	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	350,250	—	350,250	637,617
Investment income	6	<u>298,780</u>	<u>—</u>	<u>298,780</u>	<u>281,261</u>
Total income		<u>649,030</u>	<u>—</u>	<u>649,030</u>	<u>918,878</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	7	(47,919)	—	(47,919)	(86,719)
Expenditure on charitable activities	8,9	<u>(518,645)</u>	<u>—</u>	<u>(518,645)</u>	<u>(554,957)</u>
Total expenditure		<u>(566,564)</u>	<u>—</u>	<u>(566,564)</u>	<u>(641,676)</u>
Net gains on investments	12	<u>747,793</u>	<u>—</u>	<u>747,793</u>	<u>247,282</u>
Net income		<u>830,259</u>	<u>—</u>	<u>830,259</u>	<u>524,484</u>
Other recognised gains and losses					
Net movement in funds		<u>830,259</u>	<u>—</u>	<u>830,259</u>	<u>524,484</u>
Reconciliation of funds					
Total funds brought forward		<u>4,533,347</u>	<u>649,350</u>	<u>5,182,697</u>	<u>4,658,213</u>
Total funds carried forward		<u>5,363,606</u>	<u>649,350</u>	<u>6,012,956</u>	<u>5,182,697</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.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Statement of Financial Position

30 September 2017

		2017		2016
		£	£	£
Fixed assets				
Investments	16	5,199,879		4,452,087
Current assets				
Debtors	17	598,768	521,515	
Cash at bank and in hand		<u>316,916</u>	<u>323,486</u>	
		915,684	845,001	
Creditors: amounts falling due within one year	18	<u>(102,607)</u>	<u>(114,391)</u>	
Net current assets		<u>813,077</u>		730,610
Total assets less current liabilities		<u>6,012,956</u>		<u>5,182,697</u>
Funds of the charity				
Endowment funds		649,350		649,350
Unrestricted funds		<u>5,363,606</u>		<u>4,533,347</u>
Total charity funds	19	<u>6,012,956</u>		<u>5,182,697</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 19 June 18, and are signed on behalf of the board by:

Mr D A Pearlman
Trustee

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

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Statement of Cash Flows

Year ended 30 September 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net income	830,259	524,484
<i>Adjustments for:</i>		
Net gains on investments	(747,793)	(247,282)
Dividends, interest and rents from investments	(298,780)	(281,261)
Interest payable and similar charges	–	104
<i>Changes in:</i>		
Trade and other debtors	(77,252)	17,672
Trade and other creditors	(11,784)	10,278
Cash generated from operations	(305,350)	23,995
Interest paid	–	(104)
Net cash (used in)/from operating activities	(305,350)	23,891
Cash flows from investing activities		
Dividends, interest and rents from investments	298,780	281,261
Purchases of other investments	–	(3,396)
Net cash from investing activities	298,780	277,865
Net (decrease)/increase in cash and cash equivalents	(6,570)	301,756
Cash and cash equivalents at beginning of year	323,486	21,730
Cash and cash equivalents at end of year	316,916	323,486

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

**THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE**

Notes to the Financial Statements

Year ended 30 September 2017

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Third Floor, 9 White Lion Street, N1 9PD, London.

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.

The charity meets the definition of a public benefit entity under FRS 102.

Going concern

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23.

Consolidation

The charity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertaking comprise a small group.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE
Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

Judgements made by the trustees in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

(i) Property valuation

The valuation of the charity's investment properties is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions. Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

(ii) Trade debtors

Management uses details of the age of trade debtors and status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

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 particular future project or commitment. The charity has no designated funds at the Balance sheet date.

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

These are included in the Statement of Financial Activities (SOFA) when;

- the charity becomes entitled to the resources;
- it is probable that the charity will receive the resources;
- the monetary value can be measured with sufficient reliability.

This includes income from investments and deposits, rentals from property assets and grants and donations received by the charity.

Incoming resources with related expenditure

Where incoming resources have related expenditure (as with fundraising contracts or investment income) the incoming resources and related expenditure are reported gross in the SOFA.

Grants and donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources. Donations represent voluntary amounts receivable during the year.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE
Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured reliably.

Charitable activities

Grants are charged in the period in which paid; they comprise donations to third-party institutions in accordance with the charitable objects of the charity and its public benefit objectives.

Investment management costs

Investment management costs include costs relating to the investment properties on an accrual basis.

Governance costs

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

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Subsequent to initial recognition

- Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the income and expenditure account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is determined by the Trustees based on their understanding of property market conditions and the specific property 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.

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.

Investment in Subsidiary Undertaking

The shareholding in the Subsidiary Undertaking is included at fair value based on the underlying value of its assets less its liabilities.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

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.

4. Limited by guarantee

The charity is a Company Limited by Guarantee and has no share capital. The liability of each Member in the event of winding up is limited to £1.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Donations				
General donations	<u>350,250</u>	<u>350,250</u>	<u>637,617</u>	<u>637,617</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Rents receivable	276,587	276,587	259,524	259,524
Interest receivable	<u>22,193</u>	<u>22,193</u>	<u>21,737</u>	<u>21,737</u>
	<u>298,780</u>	<u>298,780</u>	<u>281,261</u>	<u>281,261</u>

7. Investment management costs

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Property outgoings	<u>47,919</u>	<u>47,919</u>	<u>86,719</u>	<u>86,719</u>

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Grant funding activities (institutions)	508,690	508,690	547,053	547,053
Support costs	9,955	9,955	7,904	7,904
	<u>518,645</u>	<u>518,645</u>	<u>554,957</u>	<u>554,957</u>

9. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	Total funds 2017	Total fund 2016
	£	£	£	£
Grant funding activities (institutions)	508,690	—	508,690	547,053
Governance costs	—	9,955	9,955	7,904
	<u>508,690</u>	<u>9,955</u>	<u>518,645</u>	<u>554,957</u>

10. Analysis of support costs

	Grant funding activities	Total 2017	Total 2016
	£	£	£
General expenses	1,975	1,975	104
Auditor's remuneration	7,980	7,980	7,800
	<u>9,955</u>	<u>9,955</u>	<u>7,904</u>

11. Analysis of grants

All grants paid relate to grants made to charitable institutions and organisations supporting the undermentioned charitable purposes which accord with the objects of the charity.

- The prevention and relief of poverty
- The advancement of education
- The advancement of religion
- The advancement of health or the saving of lives
- The advancement of citizenship or community development
- The advancement of the arts, culture, heritage or science
- Any other charitable purpose

An analysis of grants paid is included in these Financial Statements in Note 21.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

12. Net gains on investments

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Gains on investment property	305,000	305,000	146,604	146,604
Gains on subsidiary undertaking	442,793	442,793	100,678	100,678
	<u>747,793</u>	<u>747,793</u>	<u>247,282</u>	<u>247,282</u>

13. Auditors remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>7,980</u>	<u>7,800</u>

14. Staff costs

No salaries or wages have been paid to employees during the year.

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

No Trustee expenses have been incurred.

16. Investments

	Investment properties £	Shares in group undertakings £	Total £
Cost or valuation			
At 1 October 2016	3,461,000	991,087	4,452,087
Additions	—	—	—
Fair value movements	305,000	442,792	747,792
At 30 September 2017	<u>3,766,000</u>	<u>1,433,879</u>	<u>5,199,879</u>
Carrying amount			
At 30 September 2017	<u>3,766,000</u>	<u>1,433,879</u>	<u>5,199,879</u>
At 30 September 2016	<u>3,461,000</u>	<u>991,087</u>	<u>4,452,087</u>

All investments shown above are held at valuation.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

16. Investments *(continued)*

Investment properties

The investment properties are stated at trustees' valuation as at 30 September 2017 based on the trustees' understanding of property market conditions and the specific property 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 properties at 30 September 2017 is £3,093,870 (2016: £3,093,870).

Investment in Subsidiary Undertaking

The charity owns 100% of the ordinary shares of Portgrand Limited (Company No. 01715724), a company incorporated and registered in England and Wales.

The fair value as at 30 September 2017 of the investment in Subsidiary Undertaking is based on the underlying value of its assets less liabilities.

The historical cost of the charity's investment in subsidiary undertaking is £100.

Portgrand Limited prepares its financial statements to 30 September.

The results of Portgrand Limited are shown below:

	2017	2016
	£	£
Rent receivable	24,787	46,505
Property outgoings	<u>(54,397)</u>	<u>(18,857)</u>
	(29,610)	(27,648)
Administrative expenses	(5,443)	(5,344)
Interest payable and related costs	<u>(22,155)</u>	<u>(21,720)</u>
NET (LOSS)/PROFIT	<u>(57,208)</u>	<u>584</u>
RETAINED IN SUBSIDIARY	<u>(57,208)</u>	<u>584</u>
Current assets	565,642	562,648
Current liabilities	<u>(571,914)</u>	<u>(511,712)</u>
	<u>(6,272)</u>	<u>50,936</u>
Capital and Reserves	<u>(6,272)</u>	<u>50,936</u>

The charity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertaking comprise a small group.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

17. Debtors

	2017 £	2016 £
Amounts owed by group undertakings and undertakings in which the charity has a participating interest	550,906	502,268
Rent and service charges	31,042	4,667
Other debtors	16,820	14,580
	<u>598,768</u>	<u>521,515</u>

18. Creditors: amounts falling due within one year

	2017 £	2016 £
Rent and service charges charged in advance	64,713	62,970
Other creditors	37,894	51,421
	<u>102,607</u>	<u>114,391</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 October 2016 £	Income £	Expenditure £	Gains and losses £	At 30 September 2017 £
General funds	4,533,347	649,030	(566,564)	747,793	5,363,606

Endowment funds

	At 1 October 20 16 £	Income £	Expenditure £	Gains and losses £	At 30 September 2017 £
Permanent Endowment Fund	649,350	—	—	—	649,350

20. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total Funds 2017 £	Total Funds 2016 £
Investments	4,550,529	649,350	5,199,879	4,452,087
Current assets	915,684	—	915,684	845,001
Creditors less than 1 year	(102,607)	—	(102,607)	(114,391)
Net assets	<u>5,363,606</u>	<u>649,350</u>	<u>6,012,956</u>	<u>5,182,697</u>

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

21. Grant funding activities

Recipients of Institutional Grants

	£
The Duke of Edinburgh Award	75,500
The English Heritage Trust	40,000
St Paul's Cathedral Foundation	40,000
The National Youth Theatre	40,000
Mifal Hachessed Vhatzdokoh	25,000
Norwood Ravenswood	23,200
The New Entrepreneurs Foundation	20,000
Aniyei Haolam Trust	20,000
The Ruzin Sadagora Trust	16,500
Friends of Beis Chinuch Lebonos	15,000
Merkaz Chasidei Wiznitz Trust	13,000
North West London Talmudical College	11,000
The Lolev Charitable Trust	10,000
Edu poor Limited	10,000
Kupath Gemach Chaim Bechesed	10,000
Oseh Chessed Trust	10,000
One Heart - Lev Echod	10,000
The ABC Trust	10,000
Other grants	109,490
	<u>508,690</u>

22. Related parties

Donations received by the charity include £312,500 (2016: £625,000) from the trustee Mr David Pearlman and £35,000 (2016: £Nil) from PCO 199 Limited a company of which the trustee Mr David Pearlman is a Director. The balance of the loan owed by Portgrand Limited, the charity's wholly owned subsidiary, to the charity at the Balance Sheet date was £550,906 (2016: £502,268); this includes interest charged for the year of £22,155 (2016: £21,720).

23. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 October 2015.

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

23. Transition to FRS 102 *(continued)*

Reconciliation of retained funds

	1 October 2015			30 September 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	4,201,409	—	4,201,409	4,452,087	—	4,452,087
Current assets	560,917	—	560,917	845,001	—	845,001
Creditors less than 1 year	(104,113)	—	(104,113)	(114,391)	—	(114,391)
Net current assets	<u>456,804</u>	<u>—</u>	<u>456,804</u>	<u>730,610</u>	<u>—</u>	<u>730,610</u>
Total assets less current liabilities	<u>4,658,213</u>	<u>—</u>	<u>4,658,213</u>	<u>5,182,697</u>	<u>—</u>	<u>5,182,697</u>
Net assets	<u>4,658,213</u>	<u>—</u>	<u>4,658,213</u>	<u>5,182,697</u>	<u>—</u>	<u>5,182,697</u>
Funds of the charity	<u>4,658,213</u>	<u>—</u>	<u>4,658,213</u>	<u>5,182,697</u>	<u>—</u>	<u>5,182,697</u>

Reconciliation of net income or expenditure for the year

	Year ended 30 September 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Income and endowments	918,878	—	918,878
Expenditure	(641,676)	—	(641,676)
Net gains on investments	<u>—</u>	<u>247,282</u>	<u>247,282</u>
Net income	<u>277,202</u>	<u>247,282</u>	<u>524,484</u>

THE DAVID PEARLMAN CHARITABLE FOUNDATION
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

23. Transition to FRS 102 *(continued)*

The following were changes in accounting policy arising from transition to FRS 102:

(i) Investment property

Previously, the charity's investment properties were held at market value, with aggregate surplus or deficit being recorded in the revaluation reserve (within unrestricted funds), with the exception of permanent diminutions in value which were written off through the income and expenditure account. Under FRS 102, this property is held at fair value, with changes in fair value being recorded through the income and expenditure account.

(ii) Investment in subsidiary undertaking.

Previously, the charity's investment in subsidiary undertaking was held at market value, with aggregate surplus or deficit being recorded in the revaluation reserve (within unrestricted funds), with the exception of permanent diminutions in value which were written off through the income and expenditure account. Under FRS 102, this investment is held at fair value, with changes in fair value being recorded through the income and expenditure account.