

CAPITB TRUST

Charity registration number 1000290

Company registration number 02532032 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CAPITB TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M Williams Mrs A Carvell Mr A Cannon Jones Mr A Mansell Miss E Fox Mr M Jenkins	(Appointed 7 July 2021) (Appointed 21 March 2022) (Appointed 6 May 2022)
Secretary	Mr H Smith	
Charity number	1000290	
Company number	02532032	
Registered office	Access House Halesfield 17 Telford Shropshire TF7 4PW	
Auditor	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA	

CAPITB TRUST

CONTENTS

	Page
Chairman's statement	1 - 2
Trust report	3 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 18

CAPITB TRUST

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

COVID 19 PANDEMIC & GRANT ACTIVITIES

The on-going affects of the Covid 19 pandemic continued to severely impact training and associated activities across the Industry and consequently put downward pressure on the call for access to the Trust funds. Whilst the Trust continued to support activities that had started pre-pandemic, applications for new initiatives were few and far between.

At the year end the Trust had committed £55,750 (2021, £129,500) to development and up-skilling, including grant pledges carried over from the prior year. A number of these pledges were for initiatives agreed in the period prior to the pandemic but were delayed as a result of it.

The Trust recognises the continual need to increase awareness of its remit as a potential funding body for worthy training and up-skilling programmes and we constantly work to ensure our name and objectives are well publicised in our target industries.

As the year came to a close it was evident that the Industry was still in recovery mode and that training initiatives were still only just beginning to get back on their feet. Consequently the Trustees were mindful of the need to remind the industry of the availability of the Trusts funds and begun a review of its promotional activities including a full overhaul of its website. This work is being undertaken during the course of the first half of 2022 with the aim of launching by early autumn, a redeveloped website by to coincide with direct promotional messaging to the various sectors of our Industry.

It is further anticipated that training activities will pick up again once working life has returned to some level of normality and the number of applications for support will return to pre-pandemic levels.

FUNDING SUPPORT

The remit of the Trust is to provide financial support to worthy training and up-skilling initiatives across the Clothing & Textile industries operating within the United Kingdom. Applications are received from all sectors of the industry and the role of the Trustees is to ensure that successful applications are appropriate, sustainable and have the capacity to make a positive impact on the business concerned, or the industry as a whole.

Initiatives that were agreed prior to the pandemic will now continue as a result of an upturn in activities and as part of the Trusts ongoing pledges. These are;

- UKFT (pan UK). Funding was provided to support the development and delivery of Modern Apprenticeships across the UK industry. This is an on-going initiative largely influenced by the need to ensure that approved Apprenticeships are appropriate for the needs of a modern industry and at the same time abide by the Institute of Apprenticeship (government) requirements. The Trust had agreed a three year commitment to this initiative which comes to an end in 2023.
- UKFT (pan UK). The Trust has pledged funding to support the 'Fashion & Textiles Career and Skills Roadshow' as well as the 'Made It' initiative. The Fashion & Textiles Career and Skills Roadshow is aimed at students in the 15 to 24 age group and those people that influence their future career choices. It is aimed at improving the image of the industry and to reposition career choices to put the Clothing and Textiles industry as a first choice option rather than a fall-back one. The Made It initiative is focused on the up-skilling and manufacturing knowledge of Undergraduates. Both of these initiatives are planned to be delivered over a three year period and the Trust has pledged a contribution to support each of those three years. As a result of social distancing rules both these initiatives were initially curtailed, however work was undertaken to successfully progress via on-line media. Since the total relaxation of covid rules work is again underway to deliver these activities in-person, rather than on-line.
- UKFT (Pan UK). As a result of the social distancing restrictions an initiative was approved for funding to support the development of on-line learning for sewing machinists. This was designed as a pilot programme to test how remote, on-line learning methodologies could be better utilised throughout the industry. If successful, other training requirements would be considered for taking on-line to supplement traditional methods of training delivery.

CAPITB TRUST

CHAIRMAN'S STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

During the year the Trust has supported or pledged support for the following new initiatives;

- Funding was approved to support the training of three trainees at The Tailoring Academy, Macclesfield (England). This programme was designed to focus on an advanced qualification in Master Tailoring and open to participants who would not otherwise qualify for funding under the governments' official apprenticeship schemes.
- Samuel Bros (England). Funding was approved to train a staff member in the Gerber CAD system. This was critical to the ongoing success of this small business as the current CAD operator was close to retirement.
- Atelier Tamman (England). Funding was approved to train two new trainees in couture tailored jacket construction. This was a ten week programme delivered during the second half of 2021.

Case studies of all successful grants are posted on the Trusts website which can be found at www.capitbgrants.org

TRUSTEES

The current Trustees have given further consideration to the optimum number of Trustees required for the Trust to operate effectively and at the same time be represented across the various sectors of our Industry. This has resulted in some changes to the make up of the Trustee board with the appointments of Elizabeth Fox and Martin Jenkins. Both have experience of long standing within the Industry and will bring new dynamics to the way the Trustee board operates.

In addition, work is underway to identify other potential future Trustees to ensure that succession plans are properly and adequately covered.

TRADING SUBSIDIARIES

The Trust sold its three trading subsidiaries, CAPITB Ltd, RTITB Ltd and Talent in Logistics Ltd by way of a Management Buy Out (MBO). These transactions were completed on 25 March 2022. The Trustees felt that this was in the best long term interest of CAPITB Trust so that it can now focus on its direct charitable activities without any of the distractions, implications and potential funding requirements of running on-going businesses.

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Chairman

Date:

CAPITB TRUST

TRUST REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CAPITB Trust's governing document, the Companies Act 2006 and "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

CAPITB Trust is an independent charitable trust whose objectives are for the promotion of education and training for the public benefit of persons employed or intended to be employed in the British apparel, textile, and allied products manufacturing industries. It was established in 1990 and succeeded the 'Clothing and Allied Products Industry Training Board'.

It seeks to make donations each year to projects which will enhance the skills base within the British apparel, textile, and allied products (stitched products) manufacturing industries. It is a perpetual trust and envisages its continued existence while ever the need exists. The Trust has a board made up of experts from stitched product manufacturing industries and related associations.

Grant Making Policy

CAPITB Trust works with various industry leading bodies to support the development of skills in the stitched product sectors. CAPITB Trust accepts applications for grants from individuals and businesses of all sizes. The Board of industry experts considers every application and welcomes any application that demonstrates how the fund can be used to enhance the skill base of the stitched product industries.

CAPITB Trust is interested in grant applications from the following:

- Companies within stitched product industries who need financial assistance to provide training for skills.
- Organizations running or intending to run competitions that promote the development of skills needed by stitched product industries.
- Other Awarding Bodies related to skills development where combined funding leads to enhanced benefits to industry.
- Individuals to enable them to enter and/or complete training that will provide them with the skills required by industry. An employer capable and willing to provide the required training must be identified.
- Individuals already employed within industry, who need to acquire additional skills which will advance their career and service to stitched product industries. A capable and willing training provider must be identified.

CAPITB Trust does not support:

- The running costs of voluntary bodies or the continuing provision of a service, however worthwhile.
- Grants for capital or building costs. Grants for equipment are allowed when they are part of a project that is otherwise acceptable. We do not make grants solely for purchase of equipment (including computers).
- Projects that could be considered by a government department, a Research Council or a more appropriate charity.
- Grants to attend conferences or seminars.
- Grants for the production of web-sites or related internet-based projects, films or videos, or for exhibitions
- Provide individuals with help towards school fees, a university course, or a gap year project.
- Respond to requests for financial help from or on behalf of individuals in distress

CAPITB TRUST

TRUST REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

The Trustees approved charitable grants during the year of £12,750 (2021 - £43,200) and paid out £86,500 (2021 - £56,633) to a number of companies and institutions as referred to in the Chairman's Statement. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

During the year a management buy-out was completed. Please see note 18 in the notes to the financial statements for full details of this.

Financial review

Unrestricted reserves on 31 March 2022 amounted to £1,977,108 (2021 - £2,648,025).

The Trustees consider that the charity needs reserves to protect its current activities, meet its day-to-day responsibilities and to ensure that it continues to operate on a going concern basis.

The Trustees have examined the needs, risks and challenges faced by the charity in both the short and medium term, along with relevant financial forecasts, and have formulated a policy to meet those needs, which are satisfied by the level of reserves at the balance sheet date. The Trustees believe the reserves should be maintained at the current levels at this stage subject to investment market fluctuations. The Trustees believe that they should support initiatives for skills training in stitched product industries.

The principal funding for the Trust is from its investment with Schroder & Co Ltd.

Full details and disclosures of the financial position are made within the financial statements.

Reserves Policy

The reserves policy is to maintain as high a level of reserves as possible in order to have investments to yield income to maximise the amount of grant monies available in the pursuance of the charitable objectives. The current level of reserves provides the income to finance the current level of grant activity.

Investment policy and performance

The Investment Policy of the Trust is to continue with the current investment with Schroders for the foreseeable future.

The policy is based on a medium/low risk strategy with a proportionate return in line with expectations.

The management of the charity's investment fund is delegated to professional investment managers at Schroders.

The performance of the Charity's investment with the Schroders Charity Fund is reported to the Trustees weekly and is reviewed at each Trustee meeting.

Consideration of alternative Investment Funds is done on a tri-annual basis.

Plans for future periods

The Trust will continue to consider applications for charitable grants that fall within its remit.

At the close of this year, the Trust allocated funding of £75,000 to be used for future grants as approved by the Trustees.

CAPITB TRUST

TRUST REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M Williams	
Mrs A Carvell	
Mr A Cannon Jones	
Mr J R Wilson	(Resigned 7 December 2021)
Mr A Mansell	(Appointed 7 July 2021)
Miss E Fox	(Appointed 21 March 2022)
Mr M Jenkins	(Appointed 6 May 2022)

Remuneration of key management personnel

The Charity's key management personnel extend only to the Trustees, who are not remunerated.

Statement of Trust responsibilities

The Trustees, who are also the directors of CapitB Trust for the purpose of company law, are responsible for preparing the Trust 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CAPITB Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CAPITB Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the CAPITB Trust 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 CAPITB Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Dyke Yaxley Limited be reappointed as auditor of the company will be put at a General Meeting.

CAPITB TRUST

TRUST REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

The Trust report was approved by the Board of Trustees.

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Mr M Williams

Chairman

Date:

CAPITB TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CAPITB TRUST

Opinion

We have audited the financial statements of CapitB Trust (the 'CAPITB Trust') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 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 CAPITB Trust 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 Trust 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 CAPITB Trust'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 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

CAPITB TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CAPITB TRUST

Responsibilities of Trustees

As explained more fully in the statement of Trust responsibilities, the Trustees, who are also the directors of the CAPITB Trust for the purpose 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 CAPITB Trust'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 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.

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

Irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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CAPITB TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CAPITB TRUST

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Ian Walsh FCA (Senior Statutory Auditor)
for and on behalf of Dyke Yaxley Limited**

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**Chartered Accountants
Statutory Auditor**

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

CAPITB TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
Income from:			
Income from investments	2	64,982	65,925
		<hr/>	<hr/>
Expenditure on:			
Charitable activities	3	48,535	84,044
		<hr/>	<hr/>
Net gains/(losses) on investments	9	(687,363)	194,657
		<hr/>	<hr/>
Net movement in funds		(670,916)	176,538
Fund balances at 1 April 2021		2,648,024	2,471,487
		<hr/>	<hr/>
Fund balances at 31 March 2022		1,977,108	2,648,025
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CAPITB TRUST

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investments	10		1,762,441		2,739,804
Current assets					
Debtors	12	236,347		6,268	
Cash at bank and in hand		39,770		44,736	
		<u>276,117</u>		<u>51,004</u>	
Creditors: amounts falling due within one year	13	<u>(61,450)</u>		<u>(142,783)</u>	
Net current assets/(liabilities)			<u>214,667</u>		<u>(91,779)</u>
Total assets less current liabilities			<u>1,977,108</u>		<u>2,648,025</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		1,449,048		2,314,622	
Revaluation reserve		<u>528,060</u>		<u>333,403</u>	
			<u>1,977,108</u>		<u>2,648,025</u>
			<u>1,977,108</u>		<u>2,648,025</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the Trustees on

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Mr M Williams
Trustee

Company registration number 02532032

CAPITB TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

CapitB Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Access House, Halesfield 17, Telford, Shropshire, TF7 4PW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the CAPITB Trust's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The CAPITB Trust is a Public Benefit Entity as defined by FRS 102.

The CAPITB Trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the CAPITB Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the CAPITB Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the CAPITB Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Charitable activities include expenditure undertaken to further the purposes of the charity.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without any condition, or the recipient has reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Trust

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit and accountancy fees and costs linked to the strategic management of the company.

CAPITB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the CAPITB Trust. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The CAPITB Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the CAPITB Trust's balance sheet when the CAPITB Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Taxation

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CAPITB Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Income from investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
UK quoted investments	64,982	65,925

CAPITB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Charitable activities

	2022 £	2021 £
Grant administration costs	15,000	15,000
Network, website & support costs	577	319
Establishment expenses	1,404	1,404
Travel and subsistence	1,903	351
Sundries	1,272	1,045
Advertising	1,643	312
	<u>21,799</u>	<u>18,431</u>
Grant funding of activities (see note 4)	12,750	42,580
Share of governance costs (see note 5)	13,986	23,033
	<u>48,535</u>	<u>84,044</u>

4 Grants payable

	2022 £	2021 £
Grants to institutions:		
UKFT	48,750	27,250
Tailoring Academy	4,800	17,933
Caramel Rock	10,000	5,000
Cockpit Arts	4,000	4,000
Sapheda	4,200	1,650
Henrietta Adams	150	-
Golden Shears	7,500	-
Robert Tod & Son Ltd	3,600	-
Drumbeat	2,500	-
Samuel Brothers	1,000	-
Leicester Fashion & Textiles Academy	-	800
Creditor movement	(73,750)	(14,053)
	<u>12,750</u>	<u>42,580</u>

The Trustees have set out their grant making policy in their annual report on pages 1 and 2 of these financial statements.

CAPITB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Grants payable

(Continued)

Grants approved in the year amounted to £12,750 (2021: £42,580).

The amounts listed above are grants paid in the year, the majority of which were approved in previous years, and recognised in the year of approval. The creditor movement refers to the change in the amount of total grants owing at the beginning and end of the year.

5 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Audit fees	-	5,700	5,700	-	7,000	7,000
Legal and professional	-	8,193	8,193	-	15,965	15,965
Bank charges	-	93	93	-	68	68
	-	13,986	13,986	-	23,033	23,033
Analysed between Charitable activities	-	13,986	13,986	-	23,033	23,033

Governance costs includes payments to the auditors of £4,000 (2021- £3,000) for audit fees.

6 Net movement in funds

2022
£

2021
£

Net movement in funds is stated after charging/(crediting)

Fees payable to the company's auditor for the audit of the company's financial statements

5,700

7,000

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration from the CAPITB Trust during the year.

Trustee expenses reimbursed in the year were as follows:

	2022		2021	
	£	Number	£	Number
Travel & subsistence	810	4	-	-
Meeting expenses	337	3	311	2
Sundries	204	1	40	1

CAPITB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

9 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Revaluation of investments	62,114	194,657
Gain/(loss) on sale of investments	(749,477)	-
	<u>(687,363)</u>	<u>194,657</u>

10 Fixed asset investments

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 April 2021	1,740,327	999,477	2,739,804
Disposals	-	(999,477)	(999,477)
At 31 March 2022	<u>1,740,327</u>	<u>-</u>	<u>1,740,327</u>
Carrying amount			
At 31 March 2022	<u>1,740,327</u>	<u>-</u>	<u>1,740,327</u>
At 31 March 2021	<u>1,740,327</u>	<u>999,477</u>	<u>2,739,804</u>

	2022 £	2021 £
Other investments comprise:		
Investments in subsidiaries	<u>-</u>	<u>999,477</u>

Fixed asset investments revalued

Listed investments are revalued to their market value at each year end.

CAPITB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11	Financial instruments	2022	2021
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	1,762,441	1,740,327
12	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Amounts owed by subsidiary undertakings	-	6,268
	Other debtors	25,000	-
	Prepayments and accrued income	1,347	-
		26,347	6,268
		2022	2021
		£	£
	Amounts falling due after more than one year:		
	Other debtors	210,000	-
	Total debtors	236,347	6,268
13	Creditors: amounts falling due within one year	2022	2021
		£	£
	Other creditors	55,750	135,783
	Accruals and deferred income	5,700	7,000
		61,450	142,783
14	Analysis of net assets between funds	Unrestricted funds	Unrestricted funds
		2022	2021
		£	£
	Fund balances at 31 March 2022 are represented by:		
	Investments	1,762,441	2,739,804
	Current assets/(liabilities)	214,667	(91,779)
		1,977,108	2,648,025
15	Company limited by guarantee		

The company has no share capital. The liability under guarantee of the members is limited to £1 each. The members of the company as at 31 March 2022 are the trustees holding office at that time.

CAPITB TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Related party transactions

H Smith is the company secretary and a director of Company Accountancy Services Ltd (CASL). Included in administrative expenses is £9,765 (2021 - £7,200) for services provided by CASL to CAPITB Trust.

A Cannon Jones is a Trustee of CAPITB Trust and also a director of the Association of Suppliers to the British Clothing Industry (ASBCI), and a Freeman of the Merchant Taylors Committee which runs the Golden Shears Competition. He chairs the judging committee for that competition.

During the year CAPITB Trust paid £1,056 (2021 - £600) to ASBCI for membership, advertising and conference costs, and paid a grant of £7,500 to the Golden Shears Competition.

Adam Mansell is CEO of UKFT to which CAPITB Trust paid grants of £48,750 (2021 - £27,250).

17 Management buy-out

During the year, negotiations took place between the Trustees and a Management Buy-Out team, to acquire the Trust's interest in its subsidiary trading companies. An agreement was concluded on 24 March 2022 whereby the entire share capital of the subsidiary companies was sold to HC 1333 Limited, a company controlled by the Management Buy-Out team. HC 1333 Limited was renamed Skill Specialists Limited on 1 April 2022.

Two issues regarding the transaction had to be dealt with: -

1. The involvement of the Chairman of Trustees in the Management Buy-Out team could have resulted in an unauthorised benefit to a Trustee. An order from the Charity Commission under s105 of the Charities Act 2011 was required to allow the deal to proceed. The Commission was satisfied that it was expedient in the interests of the Trust for the MBO to go ahead and authorised it to proceed on the terms provided to the Commission even though Mike Williams is a Trustee of CapitB Trust. The order was granted on 21 July 2021.

During the course of the transaction, the Chairman was recused and therefore took no part, on either side, in the negotiations or discussions leading to its conclusion.

2. The disposal would be a substantial property transaction, which requires written consent from the Charity Commission pursuant to s190 Companies Act 2006 and s201 Charities Act 2011. The consent of the Charity Commission for England and Wales was obtained on 15 July 2021.

The consideration for the sale of shares in CapitB Limited (now renamed RTITB Limited) and in RTITB Limited (now renamed RTITB Properties Limited) was a basic £250,000 payable over five years, with potential further performance based payments for each of the years ending 31 March 2023 to 2027.