

CHARITIES TRUST
Registered No. 2142757
(Registered Charity No. 327489)

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2022

CHARITIES TRUST
SUITE 22 CENTURY BUILDING
BRUNSWICK BUSINESS PARK
TOWER STREET
LIVERPOOL L3 4BJ

CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022

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CHARITIES TRUST

CHAIR'S FOREWORD

CHAIR'S FOREWORD

2021/22 has been a year of change and realignment. Donations have largely returned to pre-pandemic levels following the exceptional rise in 2020/21 relating to COVID-19 specific donation schemes. The charity and our clients are still learning to live in a hybrid world where we work from our homes and offices on a mixed basis. Whilst traditional fundraising events activity is yet to recover to pre-pandemic levels, individual donors have continued to support charities and good causes and it was pleasing to see Payroll Giving commitments still in excess of £50 million. Our corporate donors have also significantly enhanced their donations to help those most in need.

A shortage of workers and other inflationary pressures mean our digital transformation has become even more critical to ensure we can not only provide a great, fast, data rich service to our clients but also that we can be more efficient and manage many more donations per colleague. The stresses that such a fundamental change imposes on the organisation have been significant, with colleagues having to take on new roles and work in new ways, while developing the systems, at the same time as keeping the existing operations on track. This has led to a high workload as well as a reorganisation in the structure and management, which should be completed in the coming year. Real thanks are justified to all colleagues, clients, donors, and partners who have helped us through this complex transition which should enable us to provide an outstanding service once completed. We are therefore looking forward to engaging with many more corporates going forward as well as continuing to support our existing clients with new and innovative fundraising tools.

We have further strengthened our Board with the appointment of Ian Povey, an internationally recognised product and technology expert. In addition, I would like to pay special thanks to Graham Morris, who has retired as the longest serving Trustee. Graham's support for the charity has been unwavering, as over the years he has contributed to the Finance, Remuneration and Investment Committee's and was Acting Chair during the transition to my appointment. Our heartfelt thanks to Graham and his family.

Charities Trust continues to play a vital role and continues to make a difference. None of this would be possible without the generosity of donors, and I would like to personally thank everyone for their extraordinary support to this phenomenally important sector.

Sir Michael Bibby Bt.,DL
Chair

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD

The Trustees present their Strategic Report on Charities Trust “the Charity” for the year ended 30 April 2022.

Principal Activities

The pandemic and lockdown continued to influence many areas of fundraising. We are however pleased to see Payroll Giving donations processed at £50m (2021: £54m) despite concerns that this would drop significantly. Clients continue to be attracted to the wide range of options available through Charities Trust to engage their employees and customers. Those services include:

- Payroll Giving match;
- Fundraising match;
- Event fundraising including organisation monitoring and reporting (“Sponsor Me”);
- Charity accounts (“My Giving Account”);
- Corporate Charitable Foundation management;
- Newspaper appeals;
- Disaster appeals;
- Grant application processing and payment;
- Corporate charitable donation payments and beneficiary verification / due diligence (UK and international);
- Sanctions screening and PEPs and adverse media screening;

We believe that Charities Trust continues to offer the widest range of charitable giving and donation services available to the corporate sector in the UK and we continue to seek opportunities to innovate. We also pride ourselves on the quality of our customer service and we believe we are rewarded for this with a very high level of client retention.

During the year the value of donations processed per member of staff was £3.1m (2021: £6.4m). This is greater than pre pandemic levels although lower than 2021 which is a reflection of the exceptional COVID-19 donation activity in that year.

Key Performance Indicators

Success for Charities Trust is measured by the value of charitable donations received and distributed, particularly the proportion of those which are ‘new giving’. As a not for profit organisation however, we only seek to generate sufficient fee income to cover our running costs with a small surplus remaining for the on-going investment in systems, security and process improvements in an ever-changing digital age.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance

Total donations received during the year of £112,877,664 (2021: £212,099,868) represents a decrease of 47% over the previous year, but an increase on 2020 of £1m. We made donations to 15,275 individual charities in the year (2021: 13,928).

During the year we processed over 3 million individual Payroll Giving donations on behalf of 1,106 active client organisations (2021: 3.1 million on behalf of 1,205 clients).

We pride ourselves on our cost efficiency and 99p of every £1 of Payroll Giving donation was paid over to charities and good causes (2021: 99p of every £1).

There is a continuing trend for new and emerging third-party providers choosing us as their preferred payment partner. We are increasingly the Payroll Giving partner of choice for a growing number of employee benefit platform providers and charitable giving platforms including a number of international providers.

Income in the year includes income from Charitable Activities of £1,458,459 (2021: £1,549,253). These are fees derived from processing all donations referred to above. We have a range of fee structures for different products. The most significant fees generated in the year were:

- Payroll Giving £383,740 (2021: £406,243).

Income for the charity also includes unrestricted Donations Received and Bank Deposit Income.

Investment income for the charity includes income from short-term deposits of monies prior to distribution to charity of £535,008 (2021: £708,222). This helps us to keep our administration charges as low as possible.

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted net income for the charity (i.e. its own reserves) increased by £3,501,033 for the year (2021: Surplus £128,394). This included a transfer of £3,470,071 from restricted funds to unrestricted funds in the year (2021: £nil) in relation to dormant My Giving Account balances. See Note 13 for more details.

Unrestricted funds held in the Balance Sheet were £4,870,391 (2021: £1,369,358).

The net movement in all funds for the year was a decrease of £14,108,762 (2021: an increase of £30,526,240). The net outflow of funds in the current year largely represents the timing difference between receipt of funds and distribution to good causes in accordance with donor's wishes.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting

The Board of Trustees consider that through their strategic planning and decision making in the year ended 30 April 2022 they have acted in a way that is most likely to promote the success of the charity for the benefit of its stakeholders as a whole. This year's strategic planning process undertaken in February 2022 focused on the medium and long term development of the charity including strengthening its partnership working with the aim of enhancing the delivery of its charitable objectives. The Board recognises the importance of stakeholder engagement and participation in the achievement of these objectives.

Employees: A key part of our mission statement is to provide a personal service for our clients, and we recognise that our employees are central to that. It is important to the charity that all employees feel valued and fully engaged in the delivery of our mission. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions. COVID-19 continues to have a significant impact on working life and we continue to work on the best possible way to support hybrid working that focuses on ensuring that staff can work safely and effectively from home while maintaining support and feedback systems for employee welfare and supporting clients.

Clients: Our charitable objectives as detailed within the Reports and Financial Statements are fully focused on facilitating the charitable donations of our clients, putting them at the heart of the work we do. We undertake a continuous programme of client engagement to ensure that our current service delivery meets their requirements and to support them to explore opportunities to develop and grow their charitable giving activities.

Suppliers: We view our suppliers as key partners in the delivery of our services and we engage regularly with our banking and technology suppliers to review performance, plan developments and stay abreast of progress and innovation in their areas of expertise. Our ongoing systems and infrastructure development is very much in collaboration with our suppliers whose contribution is highly valued. In addition to this, we place expectations on our key suppliers that they undertake business in a transparent manner and have in place policies such as a Modern Slavery Policy and Statement which demonstrate their commitment to this important aspect of ethical and responsible business practice.

Community & Environment: Charities Trust contributes to the public benefit by adding value to the charitable sector at minimal cost. It enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surpluses generated are reinvested in the charity to further this work. In terms of the environment we are particularly aware of our responsibilities and although our office footprint is small, we engage in a number of recycling schemes to minimise the environmental impact of our work. Business travel is primarily through public transport and we will be looking at hybrid working arrangements going forward to help reduce the environmental impact of staff commuting.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

Business Conduct & Fair Practice: The charity takes its obligations to stakeholders very seriously and endeavours to conduct its business to consistently high standards while treating all stakeholders fairly. Charities Trust supports this via a skilled, experienced, and effective Board of Directors and Senior Management Team. Working with the operational management team, this structure promotes a culture of openness, professionalism, and ethical practice.

While CT is not a fundraising charity and therefore not regulated by the Fundraising Regulator, it has an affiliation via the Association of Payroll Giving Organisations (APGO) which provides access to best practice and legislative updates. CT is regulated by the Gambling Commission; it has actively reduced its activities in relation to lotteries and raffles over recent years and this approach will continue.

Business Relationships

As detailed in the s172(1) statement above, Charities Trust recognises the critical importance of its stakeholder relationships and the role that clients, employees and suppliers play in enabling the charity to deliver its objectives for the wider public and community benefit. These relationships are highly valued, and we continue to work to enhance them through ongoing effective engagement.

Financial Review

The total funds held as at the 30 April 2022 were £87,536,578 (2021: £101,645,340). The total restricted funds held were £82,666,187 (2021: £100,275,982). The net asset position has reduced from £101.6m to £87.5m primarily due to the decrease in cash held. This relates to the timing difference between receipt of funds and distribution to good causes.

a. Reserves Policy

The policy of the Board is to hold at least unrestricted liquid reserves sufficient to fund:

- working capital,
- future developments of systems to keep pace with technology and the changing needs of our donors and clients,
- contractual commitments,
- unexpected expenditure,
- unexpected loss of income.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (Continued)

Unrestricted Liquid Reserves (unrestricted income funds less tangible and intangible fixed assets) have increased to £4,439,856 (2021: £899,254) following positive financial performance in the year, the transfer of £3,470,071 from restricted funds to unrestricted funds and incorporating investment in infrastructure of £123,943 (2021: £143,952). This level will allow us to continue the planned investment in our fundraising systems and infrastructure over the next year.

The unrestricted liquid reserves level is monitored by the Board on a quarterly basis and the policy is reviewed annually. The Trustees believe that as at the 30 April 2022 unrestricted liquid reserves of £4,439,856 should be sufficient to meet the organisations requirements.

Principal funding sources continue to be fees derived from the processing of donations received and investment income. Expenditure in the year is the cost of processing and distributing these funds to charitable organisations which is our primary purpose.

b. Funds Recognition & Funds held as Custodian Trustee on Behalf of Others

In accordance with the Charity SORP, the funds relating to the contracts where the Charity is acting strictly as an agent are disclosed in Note 16 to the financial statements. These comprise Payroll Giving and other funds held to the order of the original payers that are in the course of being paid to their nominated charity.

Where Charities Trust is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as either 'Cash held on behalf of third parties as intermediary charity' or 'Investments held on behalf of third parties as intermediary charity'. Details are disclosed in Note 13 to the financial statements. These comprise, Charity Fund Accounts, My Giving Accounts, My Trust Accounts, Corporate Charity Accounts, Corporate Giving Accounts and Social Investments.

c. Investment

Trust Account investments are managed by a professional investment advisor authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas investments. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £465,443 (see note 6). (2021: £518,775).

The charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. In 2022 £34,032 was paid across to the Big Issue Invest Social Enterprise Investment Fund II L.P.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes.

All of these assets are held in support of restricted funds.

Restricted cash is held in instant access and term deposit accounts with UK banking institutions. This is represented on the Balance Sheet as bank balances, money market and investments held on behalf of third parties as intermediary charity. The holding value as at the 30 April 2022 was £82,361,010 (2021: £99,944,000). The contractual terms and conditions in place with the majority of donors provide for interest earned on a substantial proportion of these funds to be applied to unrestricted income. This income helps to keep the Charity's administration charges as low as possible. The Charity's treasury policy requires these cash funds to be held in a range of banking institutions, in accounts with a spread of maturity, including instant access funds. This is managed to ensure that sufficient funds are available at all times to meet donor instruction.

Unrestricted cash is held in instant access and term deposit accounts with UK banking institutions.

The Charity is currently finalising a new Investment & Treasury policy.

d. Grant Making

A database of recipient charities is maintained and continuously developed by Charities Trust. New charities are added to the database when requested by donors. A charity vetting process is undertaken when adding new charities which varies depending on the value of charitable donation being made and on whether the charity is UK based or overseas. When a donation cannot be made to the intended beneficiary an alternative instruction is sought from the donor. When an alternative instruction cannot be sourced from the donor the Trustees use their discretion to donate to a charity of similar purpose to that of the original intended beneficiary.

Plans for Future Periods

We continue to build on the foundations which have been laid down in recent years, by providing more products and services for current clients and continuing our recent success of attracting new clients. Building positive and long-lasting relationships has been a vital part of our growth. We will continue to invest in our people internally and in the systems, they require to provide the quality of customer service for which we are known.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties

Charities Trust operates a framework that provides accountability for the management of risk across the organisation

Charities Trust's Strategic Risk Management Framework includes:

- A Risk Appetite that is reviewed by Board at least annually;
- A comprehensive Strategic Risk Register that is maintained and reviewed by the Executive, relevant committees and Board with Board reviewing its identified top risks at each Board Meeting;
- Board retains oversight of how risks are being managed by the Governance calendar presented at each meeting (compliance with all mandatory returns) and is alerted to any identified weakness in controls in the Governance Update report;
- An Annual Assurance Report has also been introduced which provides a summary of key events throughout the year together with enhancements to controls to ensure, where possible, these are prevented from recurring;
- The implementation of policies, systems, controls and procedures to identify, assess, manage and mitigate risks.

a. Financial Risks

One of the main financial risks the charity faces is interest rate risk. Short-term funds held by Charities Trust are deposited with UK Banks as cash investments and the interest earned is used to supplement the low charges made for our services. Some funds are deposited for up to 12 months at fixed rates with the balance at variable rate.

We also balance the need to maximise interest earned against the need to access some funds at short notice and the credit standing of the banking institutions we use.

b. Non-financial Risks

The main risk categories facing the charity are reputational and technological. Reputation risk is mitigated by working hard to embed our values and having policies and procedures that cover governance and regulatory compliance.

Key legislation associated with those areas of risk and identified as having an indirect impact on the financial statements relate to UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019.

Charities Trust has enhanced its online training for all staff to ensure that these areas of risk are fully addressed by mandatory training which is refreshed on an annual basis. In addition, testing of staff knowledge and understanding has been undertaken by in-house staff with "phishing" type exercises. Any identified weaknesses in individual's knowledge in dealing with such contact has been immediately addressed by providing further mandatory training. This has been implemented to address the further risks presented by the new hybrid work patterns which mix in office and remote working.

Training on Anti-Money Laundering has also been rolled out to all staff to increase vigilance, with enhanced level training still provided to specific staff.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

Charities Trust is constantly evolving its technology to ensure that our systems and controls are secure and resilient. Our systems and processes incorporate controls to ensure that client accounts and donations are managed securely and our treasury policy provides for sufficient liquidity of funds so that donations can be made in a timely manner in line with donor instructions.

The COVID-19 pandemic continues to provide uncertainty particularly as cost of living increases significantly. Charities Trust continues to be well placed to navigate this protracted period given our spread of clients across industry sectors and our range of product offerings.

ON BEHALF OF THE BOARD

M. J. Blakeman

M Blakeman (Trustee)

Date: 24/10/22

CHARITIES TRUST

REPORT OF THE BOARD

The Board, who are the Trustees of the Charity and who act as directors for the purposes of company law, present their report, together with the audited financial statements of the Charity, for the year ended 30 April 2022.

Reference and Administrative Details

The registered name and trading name of the Charity is Charities Trust.

The Charity is registered with the Charity Commission for England and Wales under registered number 327489.

The Charity is a company limited by guarantee and is registered with Companies House under registered number 2142757.

The address of the registered office is Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

- Sir M J Bibby, Bt., DL (Chair)
- G J Morris OBE (Resigned 28th April 2022)
- J Jones (Resigned 6th May 2021)
- E Perry (Resigned 25th October 2021)
- LJ Thomas
- MJ Blakeman
- LA Blackburn
- P Fietje
- I C Povey (Appointed 7th May 2021)

Day to day management of the charity was delegated by the board to Linda Minnis, the Chief Executive. The Charity has recently appointed Mark Campbell as Chief Operations Officer.

The Charity's main bankers are Barclays Bank plc, Chapel Street, Liverpool, L3 9AG.

RSM UK Audit LLP, 14th Floor, 20 Chapel Street, Liverpool, L3 9AG, have been appointed as the charity's auditor in the year. RSM UK Audit LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Charity's solicitors are Browne Jacobsen, 14th Floor, No.1 Spinningfields, 1 Hardman Square, Spinningfields, Manchester M3 3EB.

Charities Trust's Professional Indemnity Insurance includes an extension for Directors and Officers, which indemnifies against legal liability arising from actual or alleged wrongful acts, errors or omissions when acting on behalf of the charity.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Structure, Governance and Management

Charities Trust is a company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document.

The company has a wholly owned trading subsidiary, CT Donations Management Limited, which has not yet commenced trading.

Charities Trust recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge and resource to enable it to carry out its role. The Chair and Chief Executive have made progress with a number of key appointments however, further work will be concluded by the end of 2022, a key focus of which remains the need to improve its diversity.

There is also a planned recalibration of the current Finance and Audit Committee to a Governance Committee, the remit of which will include a focus on Board recruitment, development and succession planning.

The Board meets at least four times per year and reviews annually at its Board Strategy Day its five year strategic Business Plan. All Trustees give their time voluntarily. They are non-executive Directors and none of them receive remuneration or benefits from Charities Trust.

No person or body external to the Charity is entitled to appoint trustees. The Trustees may by ordinary resolution appoint a person to the role of Trustee. The number of directors shall be not less than three but shall not be subject to a maximum.

Newly appointed trustees have a structured induction programme that includes spending time with senior management ensuring that they gain a full understanding of Charities Trust. They are also provided with information relating to charity regulation and Charity Commission guidance on their responsibilities and governance documentation that sets out their roles and responsibilities as Trustees and Directors and a framework of internal controls which includes a scheme of delegation both Financial and Non-Financial to aid them in discharging their duties.

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive. There are three established Board committees; Finance & Audit, Remuneration and Investment & Treasury. These committees have limited delegations and make all other recommendations to the Board for decision.

The Chief Executive has no authority to make any decision about any matter that the Board has specifically reserved to determine itself. Accordingly, the Chief Executive must not make decisions relating to these matters without prior Board approval.

The Board, supported by the Finance and Audit Committee, is responsible for agreeing the annual budget and reserves policy, reviewing on a quarterly basis the monthly actuals against budget, the year end forecast and predicted cash flow.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making (continued)

The Treasury & Investment Committee has focused on developing its Investment Policy and preparing to appoint an independent investment management service. This work should be completed by the end of 2022, enabling the refreshed Committee membership and new Chair to recommend investment opportunities to Board.

The Remuneration Committee assists the board to fulfil its responsibility to ensure that remuneration policy and practice rewards staff fairly and responsibly with a clear link to performance. The committee makes recommendations to the board in relation to the remuneration of the Chief Executive Officer and the senior management team. The committee has authority to employ external consultants to undertake benchmarking to ensure remuneration is competitive and appropriate. Salary benchmarking for senior personnel is conducted every 3 years using an evaluation methodology that measures skills and responsibilities against key analytical factors. This method is then compared to roles, sectors and regional areas providing instant market rate data

Objectives and Activities

Objects

The objects of the Charity as set out in its governing document are:

- to advance any charitable purpose for the benefit of the public wheresoever in the world as the Charity may think fit and in so far as the same are entirely ancillary to such object but not further or otherwise. The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission;
- to accept and undertake the administration and management (whether completely or only in part) of charitable trusts whether as agents for the trustees of such trusts or otherwise and to require and accept fees on account of such work of administration and management;
- to act as an agent for the purposes of Section 713 of the Income Tax (Earnings & Pensions) Act 2003 or any re-enactment thereof and to require and accept fees for so acting; and
- to act as a payroll giving agency in order to receive donations for application to such charity or charities as the donor may specify and if for any reason it becomes impossible for the Charity to pay any such donation to a charity specified by a donor the Charity shall, so far as is permitted by law, pay that amount to such other charity or charities as it may consider has objects similar to those of the charity specified by the donor.

The principal activity is that of a Payroll Giving Agency and the administration and management of charitable trusts, donations and corporate funds.

These activities are summarised in further detail on page 3 of the Strategic Report of the Board.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Charities Trust's Mission

In February 2019, the Board approved an ambitious strategic plan, that will further develop the products and services that Charities Trust provides to its clients. Our mission statement was enhanced to better reflect what Charities Trust has to offer.

“Our mission is to help you grow giving by being your partner of choice, providing the best possible personal service and solutions to donate and manage your charitable funds”.

In addition to aspiring to be the market leader in Payroll Giving, Charities Trust will grow giving in the UK by:

- Continuing to invest in its infrastructure.
- Creating new and enhancing existing products and services.
- Working closely with clients and partners to provide the most effective services ensuring costs are minimised to maximise donations to the chosen charities and good causes.

Public Benefit

The Trustees have had regard to Charity Commission guidance on public benefit as required by Section 17 of the Charities Act 2011 and believe the Charity contributes to the public benefit by adding value to the charitable sector at minimal cost.

The Charity enables and encourages charitable giving by providing a range of products and services which make giving easier for employers and employees.

Any surplus generated is used to further develop products and services which will in turn increase donations to charities.

Strategic Report

The charitable company has chosen in accordance with Companies Act 2006, s. 414 C(11) to set out in the company's strategic report, information required by Large and Medium-sized companies and groups (Accounts and Reports) regulations 2008, Sch 7, to be contained in the Directors' report. It has done so in respect of future developments and business relationships.

Streamlined Energy and Carbon Reporting

The Charity consumed 40,000 kWh of energy or less in the UK during the period covered by the Trustee's report and therefore information surrounding greenhouse gas emissions, energy consumption or energy efficiency is not disclosed for that reason.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities

The trustees (who are also directors of Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation. Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

CHARITIES TRUST
REPORT OF THE BOARD (Continued)

ON BEHALF OF THE BOARD

M J Blakeman

M Blakeman (Trustee)

Date: 24/10/22

CHARITIES TRUST INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITIES TRUST

Opinion

We have audited the financial statements of Charities Trust (the 'charitable company') for the year ended 30 April 2022 which comprise the Statement of Financial Activities (including Summary Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2022 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; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

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, except to the extent otherwise explicitly stated in our report, 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.

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 Report of the Board and the Strategic Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board and the Strategic Report of the Board have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board or the Strategic Report of the Board.

We have nothing to report in respect of the following matters where 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.

CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company 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 charitable company'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

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 the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Board and Strategic Report of the Board and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulations (UK GDPR) and The Money Laundering and Terrorist Financing Regulations 2019 and the Charitable Deductions (Approved Schemes) Regulations SI 1986/2211 (as amended). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CHARITIES TRUST
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHARITIES TRUST (Continued)**

Use of our report

This report is made solely to the charitable company'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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Guest

JOHN GUEST (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

Date: 25/10/22

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2022 (including Summary Income and Expenditure Account)

	Note	Year to 30 April 2022 £	Year to 30 April 2022 £	Year to 30 April 2022 £	Year to 30 April 2021 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<u>INCOME FROM:</u>					
Charitable activities	1	1,458,459	-	1,458,459	1,549,253
Investments	1	535,008	104,089	639,097	762,156
Donations received	1	117,342	63,814,687	63,932,029	161,972,774
<u>TOTAL INCOME</u>		2,110,809	63,918,776	66,029,585	164,284,183
<u>EXPENDITURE ON:</u>					
Charitable activities	2	(2,079,847)	-	(2,079,847)	(2,134,702)
Raising Funds	2	-	(4,231)	(4,231)	(2,997)
Social Investment Impairment	2	-	(34,032)	(34,032)	(31,142)
Donations paid to Charities	2	-	(78,005,521)	(78,005,521)	(131,654,004)
<u>TOTAL EXPENDITURE</u>		(2,079,847)	(78,043,784)	(80,123,631)	(133,822,845)
Net (losses) / gains on investments	6	-	(14,716)	(14,716)	64,902
<u>NET (EXPENDITURE) / INCOME</u>		30,962	(14,139,724)	(14,108,762)	30,526,240
Transfers between funds	13	3,470,071	(3,470,071)	-	-
<u>NET MOVEMENT IN FUNDS</u>		3,501,033	(17,609,795)	(14,108,762)	30,526,240
<u>RECONCILIATION OF FUNDS:</u>					
Total fund brought forward	13	1,369,358	100,275,982	101,645,340	71,119,100
<u>TOTAL FUNDS CARRIED FORWARD</u>		4,870,391	82,666,187	87,536,578	101,645,340

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net expenditure stated above and the historical cost equivalents in the current and prior year.

All gains and losses in the year are included in the Statement of Financial Activities.

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

CHARITIES TRUST
BALANCE SHEET AS AT 30 APRIL 2022
COMPANY REGISTRATION NUMBER 2142757

	Note	2022 £	2021 £
<u>FIXED ASSETS</u>			
Intangible assets	4	420,885	-
Tangible assets	5	9,650	470,104
Investments	6	<u>505,315</u>	<u>592,679</u>
TOTAL FIXED ASSETS		<u>935,850</u>	<u>1,062,783</u>
<u>CURRENT ASSETS</u>			
Debtors	7	370,030	440,196
Cash at bank and in hand		4,436,604	843,664
Bank balances held on behalf of third parties as intermediary charity	13	57,311,010	64,944,000
Money market, investments and bank balances held on behalf of third parties as intermediary charity	13	<u>25,050,000</u>	<u>35,000,000</u>
TOTAL CURRENT ASSETS		<u>87,167,644</u>	<u>101,227,860</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	8	<u>(530,794)</u>	<u>(609,181)</u>
NET CURRENT ASSETS		<u>86,636,850</u>	<u>100,618,679</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>87,572,700</u>	<u>101,681,462</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	10	<u>(36,122)</u>	<u>(36,122)</u>
<u>NET ASSETS</u>		<u>87,536,578</u>	<u>101,645,340</u>
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	13	82,666,187	100,275,982
Unrestricted income funds	13	<u>4,870,391</u>	<u>1,369,358</u>
<u>TOTAL CHARITY FUNDS</u>		<u>87,536,578</u>	<u>101,645,340</u>

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 6th October 2022 and were signed on its behalf on 25/10/22.....

I Povey

.....
I POVEY
TRUSTEE

M J Blakeman

.....
M Blakeman
TRUSTEE

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2022

	Note	2022 £	2021 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash (used in) / provided by operating activities	20	(14,451,266)	29,989,897
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	1	535,008	708,222
Dividends from investments		11,535	12,060
Purchase of tangible and intangible fixed assets	4&5	(123,943)	(143,952)
Proceeds from sale of investments	6	54,660	258,132
Purchase of investments	6	(26,345)	(250,351)
Decrease in investment portfolio cash	6	10,301	1,345
Net deposits in the money market	13	9,950,000	(15,000,000)
Net cash provided by / (used in) investing activities		10,411,216	(14,414,544)
(Decrease) / increase in cash and cash equivalents in the financial year		(4,040,050)	15,575,353
Cash and cash equivalents at the beginning of the financial year		65,787,664	50,212,311
Cash and cash equivalents at the end of the financial year	20	61,747,614	65,787,664

The accounting policies and notes on pages 25 to 50 form part of these financial statements.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified to include fixed asset investments at fair value, in accordance with applicable accounting standards in the United Kingdom and on a going concern basis, which follow the recommendations in Charities SORP (FRS102) 2019 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS102.

Charities Trust is a private company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association are its governing document. It is incorporated in England and its registered office is located at Suite 22 Century Building, Brunswick Business Park, Tower Street, Liverpool, L3 4BJ.

BASIS OF PREPARATION

The basis of preparation of these financial statements has taken due account of the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

GOING CONCERN

There are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2023 and 30 April 2024 which show operating surpluses.

CONSOLIDATION

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as there would be no material difference between the separate financial statements and consolidated financial statements. The charity owns 100% of the share capital of CT Donations Management Limited, a dormant company which has not yet commenced trading.

FUND ACCOUNTING

Unrestricted funds comprise general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds that are held for a period of time pending subsequent donation requests from clients. These funds consist of Corporate Charity Accounts, Foundations, Social Investments, Donor Advised Funds, My Giving Accounts and Lotteries. Under the client contractual terms and conditions Charities Trust has final discretion over the application of these funds. Interest earned on restricted funds other than the Trust Account investments is applied to unrestricted income as per the contractual terms and conditions in place with donors.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued)

Agency funds are where the donor has already nominated the third-party charity (charities) that is to receive the funds. These funds are therefore only held temporarily until distributed to the chosen charity. This largely covers payroll giving and fundraising activity. Funds held by the charity as an Agent are reported in Note 16.

INCOME FROM CHARITABLE ACTIVITIES

Charitable activities income comes from fees which are derived from the processing of donations received and are accounted for as the service is provided. We have a range of fee structures for different products. The fee for Payroll Giving is normally charged at 25p per employee per month. Payroll Giving income is deferred when funds are received in advance of the period to which they relate.

INCOME FROM INVESTMENTS

Investment income on cash deposits and fixed asset investment is recognised in the period in which it is earned and credited to Unrestricted Funds.

INCOME FROM DONATIONS RECEIVED

Donations received are from individuals and corporates and related gift aid. The majority of donations received by the charity are for the benefit of third-party charities and held as agent or intermediary charity.

Donations treated as unrestricted funds are from donations to Charities Trust which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

The Charity acts as agent co-ordinating the raising and distribution of funds from employees and employers to charities for the purpose of Section 713 Income Tax (Earnings & Pensions) Act 2003. Where funds are received with specified instructions for onward direction and are distributed directly to charity then the Charity accounts for these transactions as an agent and they are included within Agency funds. Where funds are received and the Charity retains discretion as to how the funds are used the Charity accounts for these funds as a principal. Funds received as principal include corporate donations, charitable foundation donations and charity account donations. Funds received as agent include payroll giving and fundraising donations.

Funds held as intermediary charity for Restricted funds are included in the charity's Balance Sheet as 'cash held on behalf of third parties as intermediary charity' or investments. These balances are included in Restricted Funds to reflect the fact that they comprise donations to the Charity which are held either pending instructions for onward donation to charitable organisations or a decision by the Charity as to which charitable organisations to donate to.

The income and costs for these balances are reported in the body of the Statement of Financial Activities under the headings Income from Donations Received and Expenditure on Donations Paid to Charities.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Costs of charitable activities comprise those costs incurred in processing and managing donations. These include governance costs which are recognised on an accruals basis and include the cost of the statutory audit.

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the Donor Advised Fund Account held as restricted funds. The fees are accounted for when charged against the investment portfolio.

EXPENDITURE ON DONATIONS PAID TO CHARITIES

Donations paid to charities comprise disbursement of donations received to other Third-Party charitable organisations in accordance with the donor's wishes.

TAXATION

The Charity is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. As a result, the tax charge for the current and prior years is nil.

INTANGIBLE FIXED ASSETS

Intangible fixed assets include acquired software costs together with capitalised development expenditure in relation to time costs of individuals working on the design configuration and testing of new software systems. They are amortised over 3-5 years, on a straight line basis, which is considered to be appropriate as this is the period over which the software is expected to be used by the charity.

The company capitalises development expenditure as an intangible asset when it can demonstrate all of the following;

- (a) The technical feasibility of completing the development so the intangible asset will be available for use.
- (b) The intention to complete the development and use the intangible asset.
- (c) The ability to use the intangible asset
- (d) How the intangible asset will generate future economic benefits
- (e) The availability of adequate technical, financial and other resources to complete the development
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during development

Where these criteria are not met, expenditure is charged to the SOFA as research costs.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost which includes the invoiced value of goods and services rendered together with an apportionment of internal labour on certain major infrastructure projects.

Depreciation is provided on the straight-line basis to write off the cost less residual value of fixed assets over their anticipated useful lives at the following annual rates:

Computers	20% - 33%
Fixtures & Fittings	20% - 33%

The expected useful lives and residual values of the assets to the charity are reassessed periodically in the light of experience. For the purposes of this policy a minimum value of £1,000 will be applied to purchases for them to be capitalised.

INVESTMENTS

Investments held for My Trust Accounts are included at market value based on the bid price at the balance sheet date. These are treated as Restricted Funds. Any surplus or deficit on revaluation is transferred to the fund for which the investments are held (see Note 6).

The "SOFA" includes net gains and losses arising on revaluations and disposals throughout the year.

Money market and bank balances held on behalf of third parties as intermediary charity includes term & notice deposits over 3 months with well-known UK banking institutions with high credit rating.

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

SOCIAL INVESTMENTS

Social investments are programme related investments. They are impaired by 100% immediately upon payment to the Social Investment vehicle. Any returns of capital or dividends are treated as Income from Investments in the "SOFA".

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CREDITORS and PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

OPERATING LEASES

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

GRANTS PAYABLE

Grants payable are accounted for in full as liabilities of the Charity when accepted by the beneficiaries.

FOREIGN EXCHANGE

Any movement in foreign exchange for balances held in currencies other than Sterling and on the receipt and payment of funds in other currencies, are recognised as a profit or loss in the SOFA at the time of the transaction or at the year end.

The Companies presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets:

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities:

Basic financial liabilities, including trade and other creditors that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The charity does not hold or issue derivatives financial instruments.

EMPLOYEE BENEFITS

The Charity provides a range of benefits to employees, including paid holiday arrangements, a defined contribution pension plan and a life insurance scheme.

DEFINED CONTRIBUTION PENSION PLANS

The Charity participates in a defined contribution pension plan to which employees and the Charity contribute. For defined contribution schemes the employer contributions payable are charged to the Statement of Financial Activities as incurred. Differences between contributions payable and actually paid are shown as either accruals or prepayments on the balance sheet.

The assets of the scheme are held separately from those of the Charity in a fund independently administered by Aviva.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

CRITICAL JUDGEMENTS AND ESTIMATES

The main critical judgment applied, surrounds the classification of funds. Judgement has been applied in whether certain funds held in accordance with Charity Trust's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £82.7m (2021: £100.3m), are held by Charities Trust pending instruction for onward distribution to third party charities. The Trustees consider that the following factors indicate that these funds are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the charity. Although the standard terms and conditions do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.
- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor. In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution. This is supported by long-term business practice.

The only other judgements and estimates included within the financial statements relate to depreciation. The estimates and associated assumptions are all based on historical experience and other factors that are believed to be reasonable. Actual results may differ from these estimates; however, they are reviewed on an ongoing basis. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1. INCOME FROM

	Year to 30 April 2022	Year to 30 April 2021
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	383,740	406,243
Christmas appeals and other campaigns	108,149	183,328
Corporate charity account fees	497,062	381,829
Fundraising Fees	158,670	76,685
Corporate foundation fees	73,372	149,639
Other fees received	237,466	351,529
Total	1,458,459	1,549,253

	Year to 30 April 2022	Year to 30 April 2021
INVESTMENTS	£	£
Interest income received on cash deposits earned by:		
Unrestricted funds	535,008	708,222
Restricted funds – Lotteries	-	-
Restricted funds – Other	104,089	53,934
Total	639,097	762,156

DONATIONS RECEIVED (UNRESTRICTED)	£	£
Donations received	117,342	5,621
Total	117,342	5,621

	Year to 30 April 2022	Year to 30 April 2021
DONATIONS RECEIVED (RESTRICTED)	£	£
Donations received from:		
Lotteries	164,907	208,693
Corporates	46,557,989	135,805,576
Regular givers	14,652,754	15,018,564
Charity Fund Accounts	2,439,037	10,934,320
Total	63,814,687	161,967,153

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. EXPENDITURE ON	Activities undertaken directly	Total
CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2022 £	Year to 30 April 2022 £
Payroll giving donations processed	895,747	895,747
Christmas appeals and other campaigns	288,353	288,353
Other donations processed (incl. Lotteries)	895,747	895,747
Total	2,079,847	2,079,847
	Year to 30 April 2021 £	Year to 30 April 2021 £
Payroll giving donations processed	907,248	907,248
Christmas appeals and other campaigns	277,512	277,512
Other donations processed (incl. Lotteries)	949,942	949,942
Total	2,134,702	2,134,702
	Year to 30 April 2022 £	Year to 30 April 2021 £
CHARITABLE ACTIVITIES (UNRESTRICTED)		
Staff costs (see note 3)	1,263,630	1,324,693
Information Technology and Communications	326,784	293,397
Other administration costs	227,274	328,409
Depreciation	7,107	139,647
Amortisation	156,405	-
Grants in furtherance of the Charity's activities (see note 14)	53,373	-
Governance Costs	45,274	48,556
Total	2,079,847	2,134,702

Unrestricted expenditure on Charitable Activities includes £42,288 for the audit of the financial statements (2021: £38,400) and £3,450 for tax compliance services (2021: £3,360).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2022	Year to 30 April 2021
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	<u>4,231</u>	<u>2,997</u>
Total	<u>4,231</u>	<u>2,997</u>
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2022	Year to 30 April 2021
Donations paid to third party charities from:	£	£
Lotteries	223,011	141,266
Corporates	51,831,685	109,629,627
Regular givers	13,248,061	12,976,922
Charity Fund Accounts	12,702,764	8,906,189
Total	<u>78,005,521</u>	<u>131,654,004</u>
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2022	Year to 30 April 2021
	£	£
Regular givers	<u>34,032</u>	<u>31,142</u>
Total	<u>34,032</u>	<u>31,142</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2022 £	Year to 30 April 2021 £
Wages and Salaries	1,116,398	1,169,147
Social Security Costs	99,413	107,236
Other Pension Costs (see note 15)	47,819	48,310
Total costs	1,263,630	1,324,693
Monthly average No. of employees	No	No
Full time	33	33
Part time	5	2
Total No of employees	38	35
Full time equivalent	36	34

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £29,508 (2021: £26,249)

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2022 No.	Year to 30 April 2021 No.
£60,001 to £70,000	2	-
£110,001 to £120,000	-	1
£150,001 to £160,000	1	1

The key management roles of the charity comprise the trustees, the Chief Executive Officer and the Company Secretary. The total employment benefits of the key management roles of the charity were £252,496 (2021: £378,821).

Total pension contributions for members of staff earning in excess of £60,000 was £11,211 (2021: £9,261).

During the year, none of the Trustees received emoluments in respect of their services to the company (2021: none)

No trustees were reimbursed for travel expenses in the year (2021: £0).

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

4. INTANGIBLE ASSETS	Software Costs £	Total £
COST		
At 1 May 2021	-	-
Transfer in – reclassification from tangible fixed assets. (See Note 5)	1,388,475	1,388,475
Additions	120,534	120,534
At 30 April 2022	1,509,009	1,509,009
AMORTISATION		
At 1 May 2021	-	-
Transfer in – reclassification from tangible fixed assets.	931,719	931,719
Charge for the year	156,405	156,405
At 30 April 2022	1,088,124	1,088,124
NET BOOK VALUE		
At 30 April 2022	420,885	420,885
At 30 April 2021	-	-

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

5. TANGIBLE ASSETS	Computers	Fixtures & fittings	Total
	£	£	£
COST			
At 1 May 2021	1,473,782	40,389	1,514,171
Transfer out – reclassification to intangible fixed assets.	(1,388,475)	-	(1,388,475)
Additions	3,409	-	3,409
At 30 April 2022	88,716	40,389	129,105
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT			
At 1 May 2021	1,008,344	35,723	1,044,067
Transfer out – reclassification to intangible fixed assets.	(931,719)	-	(931,719)
Depreciation charge for the year	5,715	1,392	7,107
At 30 April 2022	82,340	37,115	119,455
NET BOOK VALUE			
At 30 April 2022	6,376	3,274	9,650
At 30 April 2021	465,438	4,666	470,104

During the year items of computer software that had previously been capitalised within computers in tangible fixed assets were transferred to intangible fixed assets to better represent the nature of these assets.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

6. INVESTMENTS

	2022	2021
FINANCIAL INVESTMENTS		
Investments held at market value	£	£
Market value at 1 May	518,775	462,999
Additions at cost	26,345	250,351
Disposals at market value	(54,660)	(258,132)
Net investment (losses) / gains	(14,716)	64,902
Movement on cash	(10,301)	(1,345)
	<hr/>	<hr/>
Market value at 30 April	465,443	518,775
	<hr/>	<hr/>
Historical cost at 30 April	324,460	344,690
	<hr/>	<hr/>

Investments are represented by:	2022	2022	2021	2021
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	471	504	11,278	-
Listed investments	227,886	141,594	221,872	178,244
Other investments	44,810	50,178	69,237	38,144
	<hr/>	<hr/>	<hr/>	<hr/>
Total	273,167	192,276	302,387	216,388
	<hr/>	<hr/>	<hr/>	<hr/>
		465,443		518,775
		<hr/>		<hr/>

	2022	2021
SUBSIDIARY INVESTMENTS		
Investments held at cost	£	£
CT Donations Management Limited	1	1
	<hr/>	<hr/>
Value at 30 April	1	1
	<hr/>	<hr/>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

6. INVESTMENTS (continued)	2022	2021
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	73,903	105,045
Additions at cost	-	-
Impairment costs	<u>(34,032)</u>	<u>(31,142)</u>
Value at 30 April	<u>39,871</u>	<u>73,903</u>

These are assets held by the Charity as Programme Related investments in the Big Issue Invest Social Enterprise Investment Fund. They provide funding to organisations in order to directly further our charitable purposes. Any financial return obtained is not a primary reason for making the investment.

The carrying value of Social investments as at the year end relates to funds committed by Charities Trust but not yet paid to the Social Investment vehicle. The corresponding liability is held in 'Funds held on behalf of Third Parties as Intermediary Charity'.

	2022	2021
TOTAL INVESTMENTS		
	£	£
Financial Investments	465,443	518,775
Subsidiary Investments	1	1
Social Investments	<u>39,871</u>	<u>73,903</u>
Total	<u>505,315</u>	<u>592,679</u>

7. DEBTORS	2022	2021
	£	£
Amounts receivable in less than one year		
Trade Debtors	73,578	83,428
Other Debtors	195,037	286,869
Prepayments and Accrued Income	<u>101,415</u>	<u>69,899</u>
Total	<u>370,030</u>	<u>440,196</u>

The trustees consider the value of trade and other debtors to be fully realisable and not requiring any impairment.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	200,138	260,697
Taxation and Social Security	60,526	62,633
Trade Creditors	31,865	32,151
Other Creditors	5,351	3,885
Accruals and Deferred Income	232,914	249,815
Total	530,794	609,181

'Funds held on behalf of Third Parties as Intermediary Charity' covers restricted funds. It includes the carrying value of Social investments as at the year end and funds held to cover future clients' liabilities.

Cash held to cover these restricted funds is classified in the Balance Sheet as 'Money market and bank balances held on behalf of third parties as intermediary charity'.

Movements in deferred income	2022	2021
	£	£
At 1 May	55,267	70,735
Amounts released from previous year	(55,267)	(70,735)
Amounts deferred in the current year	71,543	55,267
At 30 April	71,543	55,267

Deferred income relates to fees for services and support, which are charged on an annual or quarterly basis, where delivery will happen in the following period.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

9. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:	2022	2021
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	465,443	518,775
	<u>465,443</u>	<u>518,775</u>
Financial assets that are debt instruments measured at amortised cost		
Trade receivables	73,578	83,428
Other receivables	195,037	286,869
Investment in short term deposits	82,361,010	99,944,000
	<u>82,629,625</u>	<u>100,314,297</u>
Financial assets that are equity instruments measured at cost less impairment		
Subsidiary Investments	1	1
Social Investments	39,871	73,903
	<u>39,872</u>	<u>73,904</u>
Financial liabilities measured at amortised cost		
Trade Creditors	31,865	32,151
Other Creditors	498,929	577,030
	<u>530,794</u>	<u>609,181</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2022 £	2021 £
At 1 May	36,122	33,622
Provision for property dilapidations	-	2,500
At 30 April	<u>36,122</u>	<u>36,122</u>

The charity holds a lease over their premises until 25th November 2023. The provision relates to the estimated dilapidation costs at the expiry of the lease.

11. TAXATION

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

12. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10 (2021: £10).

The members of the charity are, at any one time, the current trustees of the charity plus one other.

The members are not entitled to a distribution of assets in the event of a winding up or dissolution of the Charity.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

13. MOVEMENT ON FUNDS

	At 1 May 2021	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2022
	£	£	£	£	£	£
Unrestricted funds	1,369,358	2,110,809	(2,079,847)	3,470,071	-	4,870,391
Restricted funds – Lotteries	380,903	164,907	(223,011)	-	-	322,799
Restricted funds - Corporates	62,194,355	46,557,989	(51,831,685)	(150)	-	56,920,509
Restricted funds – Regular givers	21,981,554	14,756,843	(13,286,324)	(3,469,921)	(14,716)	19,967,436
Restricted funds – Charity Fund accounts	15,719,170	2,439,037	(12,702,764)	-	-	5,455,443
Total funds	101,645,340	66,029,585	(80,123,631)	-	(14,716)	87,536,578

	At 1 May 2020	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2021
	£	£	£	£	£	£
Unrestricted funds	1,240,964	2,263,096	(2,134,702)	-	-	1,369,358
Restricted funds – Lotteries	313,476	208,693	(141,266)	-	-	380,903
Restricted funds - Corporates	36,018,406	135,805,576	(109,629,627)	-	-	62,194,355
Restricted funds – Regular givers	19,855,215	15,072,498	(13,011,061)	-	64,902	21,981,554
Restricted funds – Charity Fund accounts	13,691,039	10,934,320	(8,906,189)	-	-	15,719,170
Total funds	71,119,100	164,284,183	(133,822,845)	-	64,902	101,645,340

Unrestricted funds comprise accumulated operating surpluses, income from cash investments and other gifts received.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

13. MOVEMENT ON FUNDS (continued)

As at 30 April 2022 Restricted funds totalled £82,666,187 (as at 30 April 2021: £100,275,982). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

Restricted funds take a variety of forms and are described below;

- Lotteries comprise monies held for good causes raised through society lotteries. Charities Trust holds a Society Lotteries Licence and uses the services of External Lotteries Managers (“ELMs”). The ELM’s used in the year were Football Pools Limited and Sterling Management Centre Limited.

Charities Trust has reduced its offering in this area with no new lotteries being undertaken from 2021 and rationalisation of those existing partners with whom it works. This will continue to be the case going forward.

- Charity Fund Agreements are funds held for good causes and operate under Charities Trust’s charity registration number.
- Regular Givers (My Giving Accounts, My Trust Accounts and Social Investors).
- Corporates (Corporate Charity Accounts and Corporate Giving Accounts).

These latter funds are initially donated to Charities Trust until such time as the donor expresses their wishes as to their charitable application. See also Note 6 for Social Investments.

All monies held for Restricted funds are identified in the balance sheet as ‘Money market, investments and bank balances held on behalf of third parties as intermediary charity’. Money market funds are term or notice deposits over 3 months with well-known UK banking institutions with high credit ratings.

Investments in the balance sheet also relate to restricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £200,138 (2021 : £260,697) where monies are held in the same manner.

The transfer from restricted funds to unrestricted funds relates to dormant My Giving Account balances which have seen no activity in the preceding 2 years. In accordance with the provisions of the terms and conditions of business that donors sign up to, amounts held in dormant accounts amounting to £3,470,071 have been transferred to unrestricted funds for charitable purposes in support of Charities Trust’s mission.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

14. GRANTS PAID	2022	2021
	£	£
Donations over £1,000:		
General Fund	45,246	-
Donations less than £1,000:		
General Fund	8,127	-
Total	53,373	-

15. PENSION ARRANGEMENTS

The company participates in a stakeholder pension arrangement to which employees and the Charity contribute.

Total Charity contributions during the year amounted to £47,819 (2021: £48,310).

Contributions outstanding at the year end and included in Tax and Social Security were £nil (2021: £nil).

The workplace pension scheme is used for automatic enrolment for all eligible employees.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

16. FUNDS HELD AS AGENT

	At 1 May 2021	Income	Expenditure	At 30 April 2022
	£	£	£	£
Funds as Agent	(6,365,529)	(48,945,635)	49,146,623	(6,164,541)
Bank balances held as Agent	6,365,529			6,164,541
<hr/>				
	At 1 May 2020	Income	Expenditure	At 30 April 2021
	£	£	£	£
Funds as Agent	(5,397,732)	(50,132,715)	49,164,918	(6,365,529)
Bank balances held as Agent	5,397,732			6,365,529

Amounts received by the company as agent are not included in the 'SOFA' or on the Balance Sheet. This includes amounts in respect of payroll giving and other funds held to the order of the original payer.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

17. RELATED PARTIES

All of the figures quoted below are full year figures whether or not the related party served for the full year.

Elizabeth Perry, a Director / Trustee of Charities Trust until 25th October 2021, is also a Director of The Costa Foundation. Charities Trust receives donations for the benefit of the charity which it pays across periodically.

	Funds at 1 May 2021	Incoming resources	Resources expended	Funds at 30 April 2022
	£	£	£	£
Agency funds – Costa Foundation	544	25,257	(24,818)	983
	Funds at 1 May 2020	Incoming resources	Resources expended	Funds at 30 April 2021
	£	£	£	£
Agency funds – Costa Foundation	8,905	18,392	(26,753)	544

Graham Morris, a Director / Trustee of Charities Trust until 28th April 2022, is also the Chair of Trustees for Alder Hey Children’s Charity, registered charity number 1160661. The charity received funds totalling £22,243 from Charities Trust during the year (2021 - £16,127). These were funds donated through the Payroll Giving scheme, corporate donations or fundraising.

Sir Michael Bibby, a Director / Trustee of Charities Trust, is also the Chair of and a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £1,236 (2021 - £1,657).

There was £360 trade debtors balance for Bibby Line Group on 30 April 2022 (2021: £nil).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

18. OPERATING LEASES

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2022	2021
	£	£
Not later than one year	57,579	60,840
Later than one year and not later than five years	32,482	90,061
Later than five years	-	-
Total gross payments	90,061	150,901
	2022	2021
	£	£
Lease payments recognised as an expense		
Photocopier	3,840	3,840
Premises	57,000	57,000
Total lease payments in the year	60,840	60,840

19. SUBSIDIARY COMPANY

At 30 April 2022, the Company held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Limited, Suite 20-22 Century Building, Brunswick Park, Tower Street, Liverpool, L3 4BJ.	UK	100	Dormant

The value of the investment at 30 April 2022 is £1 (as at 30 April 2021: £1).

The capital and reserves of the subsidiary at 30 April 2022 are £1 (as at 30 April 2021: £1)

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

20. NOTES TO THE CASH FLOW STATEMENT

**RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	2022 £	2021 £
Net movement in funds for the financial year (as per the statement of financial activities)	(14,108,762)	30,526,240
Adjustments for:		
Depreciation charges	7,107	22,491
Amortisation charges	156,405	117,156
Losses / (gains) on investments	14,716	(64,902)
Dividends from investments	(11,535)	(12,060)
Social Investment impairment	34,032	31,142
Deduct interest income shown in investment activities	(535,008)	(708,222)
Decrease in debtors	70,166	53,430
(Decrease) / increase in creditors	(78,387)	22,123
Other non-cash movements	-	2,499
Net cash provided by operating activities	(14,451,266)	29,989,897

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	4,436,604	843,664
Bank balances held on behalf of third parties as intermediary charity (see note 13)	57,311,010	64,944,000
Total cash and cash equivalents	61,747,614	65,787,664

ANALYSIS OF CHANGES IN NET FUNDS			
	At 1 May 2021	Cash-flows	At 30 April 2022
	£	£	£
Cash	65,787,664	(4,040,050)	61,747,614
Total	65,787,664	(4,040,050)	61,747,614

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2022**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Intangible Assets	420,885	-	420,885	-	-	-
Tangible Assets	9,650	-	9,650	470,104	-	470,104
Investments	-	505,315	505,315	-	592,679	592,679
Current Assets	4,806,634	82,361,010	87,167,644	1,283,860	99,944,000	101,227,860
Creditors: amounts falling due within one year	(330,656)	(200,138)	(530,794)	(348,484)	(260,697)	(609,181)
Provisions for liabilities and charges	(36,122)	-	(36,122)	(36,122)	-	(36,122)
	4,870,391	82,666,187	87,536,578	1,369,358	100,275,982	101,645,340