

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

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2024

CHARITIES TRUST
2nd FLOOR ELEANOR RATHBONE HOUSE
UNIT 16 CONNECT BUSINESS VILLAGE
24 DERBY ROAD
LIVERPOOL L5 9PR

CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024

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CHARITIES TRUST
CHAIR'S FOREWORD

CHAIR'S FOREWORD

It has been an exciting year for Charities Trust.

The charity has significantly built up its balance sheet strength during the year primarily due to increased interest rates and high corporate account balances as companies sought to make up for the shortfall in personal giving during the COVID-19 pandemic and the cost-of-living crises. This has given us the capacity to develop and renew our IT systems to enhance efficiency and further improve security, whilst expanding our product range and efforts to attract more donors to use our services.

I am pleased to say that we were directed by our clients to reduce their balances by making more donations to charities in the second half of the year. Around £10m more donations were made than contributions received during the year. This process has continued into the current financial year with account balances continuing to fall as the cash is passed on quicker to the intended charities.

We embarked upon a brand refresh involving several stakeholders and produced a new and modern strapline of "Growing Giving With You". Throughout the process it was great to hear the important role we play in supporting our clients and donors to do more for their communities.

Not only did our clients continue their focus on helping combat many important issues facing society such as the environment, fuel poverty and education but it was also very pleasing to see an increase in Payroll Giving commitments. This is particularly important for charities as despite the fall in inflation their costs remain high, as does the demand for their services.

We continue to invest in our digital transformation to ensure that we provide the products and services that donors and clients need. This process has proved more time consuming, complex and expensive than originally expected and many thanks go to those clients, colleagues and donors that have been patient and supportive during this time of significant change. We are however developing a truly market leading product and will continue to invest in our technology and embrace the many tools available, whilst developing our people to empower and equip them to adapt and change to different ways of working.

My fellow Trustees and I would like to take this opportunity to thank everyone for their tireless efforts and dedication and a special thank you as always to all our donors without which none of this very important work would be possible.

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 2024.

Principal Activities

The Charity offers a wide range of charitable giving and donation services to the corporate sector in the UK. Clients continue to be attracted to the wide range of options available through the Charity 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 are pleased to see Payroll Giving donations processed at £52m for the year (2023: £50m). We achieved donations of £68m (2023: £74m) from all other services. Total donations received for the year came to £120m (2023: £124m) of which £72m (2023: £77m) is shown on the Statement of Financial Activities and £48m (2023: £47m) is shown in note 16 under funds held as agent.

During the year the value of donations processed per member of staff was £3.1m (2023: £3.5m).

Key Performance Indicators

Success for the Charity 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.

Achievements & Performance

Total donations received during the year of £120,112,058 (2023: £124,183,510) represents a decrease of 3% on the previous year. We made donations to 17,554 charities in the year (2023: 16,304).

Total donations received from Corporates of £44,446,461 (2023: £54,141,754) represents a decrease of 18%. Receipts from and donations paid on behalf of Corporates fluctuate each year depending on Clients’ donation plans and their charity

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance (Continued)

support programmes. Donations paid on behalf of Corporates exceeded receipts by £11,877,672 in the year (2023: £2,102,256).

During the year we processed 2.5 million individual Payroll Giving donations on behalf of 1,172 active client organisations (2023: 2.6 million on behalf of 1,019 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 (2023: 99p of every £1).

There is a continuing trend for new and emerging third-party providers choosing us as their preferred payment partner. We were pleased to see donations from partners increase to £6,145,173 in the year (2023: £4,112,005). 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 £1,608,827 (2023: £1,573,595). 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 £389,188 (2023: £383,190).

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 charities of £2,298,354 (2023: £1,231,779). This helps the Charity to keep administration charges as low as possible.

The Charity has engaged Evelyn Partners to provide investment management services and investment portfolios have been established to improve the return on unrestricted reserves and on restricted funds prior to distribution. Unrestricted income and capital gains from these investments came to £1,806,923 in 2024 (2023: £285,297).

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted funds for the Charity (i.e. its own reserves) increased by £2,818,829 for the year (2023: £849,827). This included a transfer of £611,182 from restricted funds to unrestricted funds in the year (2023: £154,908) in relation to dormant My Giving Account balances. See Note 14 for more details.

Unrestricted funds held in the Balance Sheet were £8,539,047 (2023: £5,720,218).

The net movement in all funds for the year was a decrease of £7,591,348 (2023: an increase of £1,663,919). 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 2024, they have acted in a way that is most likely to promote the success of the Charity for the benefit of its stakeholders. This year's strategic planning process undertaken in February 2024 continued its focus on the Charity's Digital Transformation, a significant investment aimed at modernising our technology and improving the user journey for clients and donors. The Board recognises the importance of the improvement and expansion of our technology and responding to our clients' fundraising needs and the tools required to support the charitable sector.

Employees: Our employees are central to effective service delivery for our clients and it is important that all employees feel valued and fully engaged in the work of the Charity. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions. We have introduced an apprenticeship scheme in our finance area and if successful we will consider expanding the scheme into other areas.

Clients: Our mission is to grow charitable giving and we recognise that working in partnership with our clients is fundamental to this. 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: The Charity 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 re-invested 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,

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

s172(1) Companies Act 2006 Reporting (Continued)

and we have introduced hybrid working arrangements to help reduce the environmental impact of staff commuting.

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. The Charity 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 the Charity 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. The Charity 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, the Charity 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 2024 were £81,579,149 (2023: £89,170,497). The total restricted funds held were £73,040,102 (2023: £83,450,279) and the total unrestricted funds held were £8,539,047 (2023: £5,720,218). The net asset position has decreased from £89,170,497 to £81,579,149 primarily due to a decrease in restricted funds held which 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 £7,294,352 (2023: £5,333,652) following positive financial performance in the year, the transfer of £611,182 (2023: £154,908) from restricted funds to unrestricted funds and incorporating capital investment in infrastructure of £1,115,866 (2023: £137,583). 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 2024 unrestricted liquid reserves of £7,294,352 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. Unrestricted charitable activities expenditure increased by 51% in the year to £3,496,924 (2023: £2,309,780) which reflected our ongoing investment in digital transformation, our brand refresh and the strengthening of our staff structure to support the Charity's development plans.

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 the Charity 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 'Cash held on behalf of third parties as intermediary charity', 'Investments held on behalf of third parties as intermediary charity' or Investments. Details are disclosed in Note 14 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. Investments Overview

The Charity's investments consist of investment portfolios under the management of Evelyn Partners and Trust Account investments under the management of Canaccord Genuity.

Evelyn Partners is an investment management firm authorised and regulated by The Financial Conduct Authority and manages two portfolios for the Charity. The long-term portfolio comprises a mix of shares, bonds, cash instruments and alternative investments. The objective of this portfolio is to generate an average return of CPI plus 2% over the long term, thereby exceeding the return achievable from term deposit bank

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

accounts. The portfolio consists of a mix of restricted and unrestricted funds which are not required for the Charity's operations over the medium to long term. The value attributed to this portfolio as at the 30 April 2024 was £21,806,467 (2023: £20,283,492) (see note 6). The value attributed to the medium-term portfolio as at the 30 April 2024 was £nil (2023: £9,996,828) (see note 8). Funds were withdrawn during the year when treasury bills matured and were placed in bank deposits which were offering a higher return. The portfolio account remains open and available for future use. The objective of the portfolio is to provide a return at least equal to that of term deposit bank accounts while providing sufficient liquidity for the Charity's operations as required.

The Trust Account operates as a Donor Advised Fund Account, generating dividends and interest for charitable donation. The investments are managed by Canaccord Genuity, professional investment advisors 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. 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 £447,370 (2023: £436,533) (see note 6).

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. There were no payments to the Big Issue Invest Social Enterprise Investment Fund II L.P. in 2024 (2023: £32,569).

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 Social Investment 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 2024 was £55,723,806 (2023: £56,140,054). 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. In 2024 £2,298,354 was applied to unrestricted income (2023: £1,231,779). 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 holding value as at the 30 April 2024 was £2,061,081 (2023: £2,197,962).

d. Grant Making

A database of recipient charities is maintained and continuously developed by the Charity. New charities are added to the database when requested by donors. A charity

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

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.

e. Digital Transformation Investment

The Charity continued to invest in its Digital Transformation programme with £711,812 of capitalised expenditure (2023: £131,767) and £459,673 of operational expenditure (2023: £nil). The operational expenditure related to consultancy and support services and some elements of direct development expenditure which were not deemed to constitute an asset and therefore charged to the Statement of Financial Activities in the year. An impairment charge of £98,988 was made in relation to new system discovery costs which were deemed to be impaired due to a significant change in the development plan timeline.

Plans for Future Periods

The Charity will continue to focus on its Digital Transformation that will not only modernise the technology but will seek to make use of new digital features that will enhance the donation journey of our donors and help us scale up our offer to existing and new clients. We will also continue to build on the foundations which have been laid down in recent years to support our Partners by providing smoother and quicker payments to charities and allowing them greater flexibility to offer a wider range of charities to the donors using their platforms. We will continue to invest in our staff through training and succession plan development.

Principal Risks and Uncertainties

The Charity 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;
- The 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 reoccurring;
- The implementation of policies, systems, controls and procedures to identify, assess, manage and mitigate risks.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

a. Financial Risks

One of the main financial risks the Charity faces is interest rate risk. Short-term funds held by the Charity 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.

Some of our medium and long-term funds are held in professionally managed investment portfolios.

The management of the investment portfolios is overseen by the Investment & Treasury Committee and the investment managers work within the parameters of the Charity's Investment & Treasury Policy. The investments are managed on a medium risk basis and risk to capital is capped so that any loss would be covered by unrestricted reserves. Medium-term investments are not exposed to capital risk.

The Investment & Treasury Committee also makes recommendations to Board on the management of bank deposits.

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.

The Charity 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)

The Charity is constantly evolving its technology to ensure that its 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.

ON BEHALF OF THE BOARD



C Rustomji (Trustee)

Date: 18 December 2024

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 2024.

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 2nd Floor Eleanor Rathbone House, Unit 16 Connect Business Village, 24 Derby Road, Liverpool L5 9PR.

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)
- LJ Thomas
- MJ Blakeman
- LA Blackburn
- P Fietje
- IC Povey
- CEM Rustomji

Day to day management of the Charity was delegated by the board to Linda Minnis, the Chief Executive.

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

RSM UK Audit LLP are deemed to be reappointed as the charity's auditor under section 487(2) of the Companies Act 2006.

The Charity's solicitors are Shakespeare Martineau LLP, 60 Gracechurch Street, London, EC3V 0HR.

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 any share capital. The Memorandum and Articles of Association dated 24 June 1987, last updated 5 December 2006 are its governing document.

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

The Charity 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. Board succession planning is currently underway.

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 the Charity.

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 the Charity. 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.

The Governance Committee which was established last year and evolved from the Audit Committee which ensures that, in addition to its other areas of scope, accounting, risk and controls governance have been retained.

The Governance Committee is reviewing the governance arrangements in place, in full, to include induction and training to ensure that Equality, Diversity and Inclusion learning and its responsibilities in this area are understood, together with those relating to Data Protection, Charity Law and regulatory requirements.

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive and within a framework of delegations, risk management and internal controls, oversight and monitoring of which is retained by Board. There are three established Board committees; Governance, Remuneration and Investment & Treasury. These committees have limited delegations and make all other recommendations to the Board for its decision.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making (continued)

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 Governance 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.

The Investment & Treasury Committee provides oversight and assurance for the Board in respect of the investment and treasury activities of the Charity. The Committee is responsible for oversight of the execution of the approved Investment & Treasury policy within an agreed scheme of delegation and for recommending changes to policy or strategy to the Board where appropriate. The Committee oversees the relationship with the Charity's investment managers and monitors and reviews their performance.

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.

CHARITIES TRUST
REPORT OF THE BOARD (Continued)

Objectives and Activities (continued)

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's Mission

In the last year we completed a brand refresh that sought to modernise and reflect the ambitious digital transformation the organisation is going through. This was launched in April 2024 and garnered support from a range of our key clients. Our mission statement was also enhanced to better describe Charities Trust's key attributes of processing efficiencies, assurance and expertise that supports our clients' philanthropic impact by strengthening the statement of Growing Giving with You.

The Charity will continue its mission to support clients with their charitable initiatives 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 Charity has chosen in accordance with Companies Act 2006, s. 414 C(11) to set out in the Charity'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, financial risk management objectives, actions taken to introduce, maintain or develop arrangements with employees and how Trustees have had regard to the need to foster relationships with suppliers.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

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.

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 regulations. 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 Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

CHARITIES TRUST
REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities (continued)

Disclosure of Information to Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity'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 Charity'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.

ON BEHALF OF THE BOARD

C. Rustomji

C Rustomji (Trustee)

Date: 18 December 2024

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 2024 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 2024 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.

Laura Inglesby

LAURA INGLESBY FCA (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: 18 December 2024

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2024 (including Summary Income and Expenditure Account)

Note	Year to 30 April 2024 £	Year to 30 April 2024 £	Year to 30 April 2024 £	Year to 30 April 2023 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<u>INCOME FROM:</u>				
Charitable activities	1,608,827	-	1,608,827	1,573,595
Investments	2,468,868	35,120	2,503,988	1,291,810
Donations received	50,794	71,507,214	71,558,008	77,224,095
<u>TOTAL INCOME</u>	4,128,489	71,542,334	75,670,823	80,089,500
<u>EXPENDITURE ON:</u>				
Charitable activities	(3,496,924)	-	(3,496,924)	(2,390,780)
Raising Funds	(60,327)	(5,276)	(65,603)	(10,162)
Social Investment Impairment	-	-	-	(32,569)
Donations paid to Charities	-	(81,350,984)	(81,350,984)	(76,266,204)
<u>TOTAL EXPENDITURE</u>	(3,557,251)	(81,356,260)	(84,913,511)	(78,699,715)
Net gains on investments	1,636,409	14,931	1,651,340	244,134
<u>NET INCOME / (EXPENDITURE)</u>	2,207,647	(9,798,995)	(7,591,348)	1,633,919
Transfers between funds	611,182	(611,182)	-	-
<u>NET MOVEMENT IN FUNDS</u>	2,818,829	(10,410,177)	(7,591,348)	1,633,919
<u>RECONCILIATION OF FUNDS:</u>				
Total fund brought forward	5,720,218	83,450,279	89,170,497	87,536,578
<u>TOTAL FUNDS CARRIED FORWARD</u>	8,539,047	73,040,102	81,579,149	89,170,497

All income and expenditure are derived from continuing operations in the current and prior year. There is no difference between the net income 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 26 to 50 form part of these financial statements.

CHARITIES TRUST
BALANCE SHEET AS AT 30 APRIL 2024
COMPANY REGISTRATION NUMBER 2142757

	Note	2024 £	2023 £
<u>FIXED ASSETS</u>			
Intangible assets	4	1,230,273	377,538
Tangible assets	5	14,422	9,028
Investments	6	<u>22,261,140</u>	<u>20,727,328</u>
TOTAL FIXED ASSETS		<u>23,505,835</u>	<u>21,113,894</u>
<u>CURRENT ASSETS</u>			
Debtors	7	1,086,654	324,476
Investments	8	-	9,996,828
Money market and investments held on behalf of third parties as intermediary charity		20,000,000	50,000
Cash at bank and in hand		2,061,081	2,197,962
Bank balances held on behalf of third parties as intermediary charity		<u>35,723,806</u>	<u>56,090,054</u>
TOTAL CURRENT ASSETS		<u>58,871,541</u>	<u>68,659,320</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	9	(748,105)	(566,595)
<u>NET CURRENT ASSETS</u>		<u>58,123,436</u>	<u>68,092,725</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>81,629,271</u>	<u>89,206,619</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	11	(50,122)	(36,122)
<u>NET ASSETS</u>		<u>81,579,149</u>	<u>89,170,497</u>
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	14	73,040,102	83,450,279
Unrestricted income funds	14	8,539,047	5,720,218
<u>TOTAL CHARITY FUNDS</u>		<u>81,579,149</u>	<u>89,170,497</u>

The accounting policies and notes on pages 26 to 50 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 12th December and were signed on its behalf on 18th December 2024.

C. Rustomji
.....
C Rustomji
TRUSTEE

Ian Povey
.....
I Povey
TRUSTEE

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2024

	Note	2024 £	2023 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash (used in) / provided by operating activities	21	<u>(11,170,323)</u>	423,405
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income		1,432,116	1,231,779
Dividends from investments		186,588	30,077
Purchase of tangible and intangible fixed assets	4&5	(1,115,866)	(137,583)
Proceeds from sale of investments	6&8	36,708,522	8,382,234
Purchase of investments	6&8	(26,093,015)	(38,189,120)
Increase in investment portfolio cash	6&8	(501,151)	(200,390)
Net (deposits in) / withdrawals from the money market		(19,950,000)	25,000,000
Net cash (used in) investing activities		<u>(9,332,806)</u>	(3,883,003)
Decrease in cash and cash equivalents in the financial year		(20,503,129)	(3,459,598)
Cash and cash equivalents at the beginning of the financial year		<u>58,288,016</u>	61,747,614
Cash and cash equivalents at the end of the financial year	21	<u><u>37,784,887</u></u>	<u>58,288,016</u>

The accounting policies and notes on pages 26 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 2nd Floor, Eleanor Rathbone House, Unit16 Connect Business Village, 24 Derby Road, Liverpool, L5 9PR.

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 2025 and 30 April 2026 which show operating surpluses. The Charity had unrestricted funds of £8.5m with the majority held as cash and investments as at 30 April 2024 and this is deemed sufficient to fund working capital requirements, capital development plans and any unexpected expenditure or loss of income. On this basis the accounts have been prepared on the going concern basis.

CONSOLIDATION

These financial statements are the Charity'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. Other than the Trust Account investments, interest earned on the majority of restricted funds is applied to unrestricted income as per 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, current asset investments and fixed asset investments is recognised in the period in which it is earned and credited to Unrestricted Funds or Restricted Funds depending on the contractual terms and conditions relevant to the invested 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 the Charity 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 and on the Charity's long-term and medium-term investment portfolios. The fees are accounted for when charged against the investment portfolios.

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. Amortisation commences when the asset is available to use.

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).

Investments held in the Charity's long-term and medium-term portfolios are included at market value based on the mid-market price at the balance sheet date. These are split between Restricted and Unrestricted Funds. Any surplus or deficit on revaluation is applied to Unrestricted Funds (see Notes 6 & 8). Contractual terms and conditions provide for Charities Trust to receive any returns from investments as unrestricted funds. This income is used to offset some of the charity's operating costs thereby reducing the service fees charged.

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 Charity, 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".

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

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.

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 Charity's 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.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (continued)

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 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. These benefits are recognised in the accounts when paid.

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.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

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.

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 the Charity's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £73m (2023: £83.5m), are held by the Charity 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 and to earn interest for the Charity while awaiting distribution. This is supported by long-term business practice.

Judgements and estimates are included within the financial statements in relation to depreciation and amortisation. 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.

Judgements and estimates have also been included within the financial statements in relation to expenditure pertaining to software development. This applies both to the impairment of software in development and the classification of expenditure between capital and operational. A judgement was taken in relation to the impairment of discovery costs for a new system (see Note 4). Due to system architecture and platforms changes that will have taken place between the discovery work and the planned commencement of system development the asset was deemed to be impaired and to have no future use or value as a new discovery exercise will be required. Judgement has also been applied to the classification of some system development related expenditure as operational rather than capital. This related to consultancy and support services in connection with system development and some elements of direct development costs which on review were deemed not to constitute an asset as re-development work was required.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

1. INCOME FROM

	Year to 30 April 2024	Year to 30 April 2023
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	389,188	383,190
Christmas appeals and other campaigns	134,091	131,634
Corporate charity account fees	576,992	629,305
Fundraising Fees	104,636	107,322
Corporate foundation fees	150,401	127,981
Partnership fees	140,801	78,827
Other fees received	112,718	115,336
Total	1,608,827	1,573,595
	Year to 30 April 2024	Year to 30 April 2023
	£	£
INVESTMENTS		
Interest income received on cash deposits:		
Unrestricted funds	2,298,354	1,231,779
Dividend and Interest income received on investments:		
Unrestricted funds	170,514	16,231
Restricted funds	35,120	43,800
Total	2,503,988	1,291,810
	£	£
DONATIONS RECEIVED (UNRESTRICTED)		
Donations received	50,794	5
Total	50,794	5
	Year to 30 April 2024	Year to 30 April 2023
	£	£
DONATIONS RECEIVED (RESTRICTED)		
Donations received from:		
Lotteries	46,638	49,001
Corporates	44,446,461	54,141,754
Regular givers	16,905,559	15,325,601
Charity Fund Accounts	10,108,556	7,707,734
Total	71,507,214	77,224,090

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

2. EXPENDITURE ON

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2024 £	Year to 30 April 2023 £
Payroll giving donations processed	1,892,006	1,080,154
Christmas appeals and other campaigns	415,206	334,859
Other donations processed (incl. Lotteries)	1,189,712	975,767
Total	3,496,924	2,390,780

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2024 £	Year to 30 April 2023 £
Staff costs (see note 3)	1,692,282	1,382,080
Information Technology and Communications	547,870	337,100
System development costs	459,673	-
Other administration costs	425,283	328,883
Depreciation	6,098	6,438
Amortisation	151,486	175,114
Loss on disposal	1,165	-
Impairment	98,988	-
Grants in furtherance of the Charity's activities	46,710	100,449
Governance Costs	67,369	60,716
Total	3,496,924	2,390,780

Unrestricted expenditure on Charitable Activities includes £51,441 for the audit of the financial statements (2023: £49,000).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2024	Year to 30 April 2023
RAISING FUNDS (UNRESTRICTED)	£	£
Fee on unrestricted investment portfolio	60,327	4,977
Total	60,327	4,977
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	5,276	5,185
Total	5,276	5,185
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2024	Year to 30 April 2023
Donations paid to third party charities from:	£	£
Lotteries	2,203	12,194
Corporates	56,324,133	56,244,010
Regular givers	14,928,363	15,267,921
Charity Fund Accounts	10,096,285	4,742,079
Total	81,350,984	76,266,204
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2024	Year to 30 April 2023
	£	£
Regular givers	-	32,569
Total	-	32,569

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2024 £	Year to 30 April 2023 £
Wages and Salaries	1,479,928	1,216,578
Social Security Costs	147,391	115,630
Other Pension Costs (see note 15)	64,963	49,872
Total costs	1,692,282	1,382,080
Monthly average No. of employees	No	No
Full time	40	33
Part time	1	3
Total No of employees	41	36
Full time equivalent	39	35

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £27,355 (2023: £26,296).

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2024 No.	Year to 30 April 2023 No.
£60,001 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	-
£150,001 to £160,000	-	1
£170,001 to £180,000	1	-

The key management roles of the Charity comprise the trustees, the Chief Executive Officer, Chief Governance Officer, and the Head of Finance. The total employment benefits of the key management roles of the charity were £396,699 (2023: £411,346).

The number of staff earning in excess of £60,000 accruing retirement benefits within a defined contribution scheme was 4 (2023: 3). The Charity paid £17,051 (2023: £11,679) in respect of pension contributions on their behalf.

During the year, none of the Trustees received emoluments in respect of their services to the company (2023: none).

The sum of £667 was paid to two Trustees to cover travel and accommodation expenses (2023: £348).

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

4. INTANGIBLE ASSETS	Software	Software in Development	Total
	£	£	£
COST			
At 1 May 2023	1,526,629	88,120	1,614,749
Additions	391,397	711,812	1,103,209
At 30 April 2024	1,918,026	799,932	2,717,958
AMORTISATION & IMPAIRMENTS			
At 1 May 2023	1,235,742	1,469	1,237,211
Charge for the year	151,486	-	151,486
Impairment	-	98,988	98,988
At 30 April 2024	1,387,228	100,457	1,487,685
NET BOOK VALUE			
At 30 April 2024	530,798	699,475	1,230,273
At 30 April 2023	290,887	86,651	377,538

During the year software in development with a net book value of £98,988 was impaired. This related to discovery costs incurred for a new system which were deemed to be impaired due to a significant change in the development plan timeline. A new discovery exercise will be required prior to commencement of development in 2025 due to system architecture and platform changes. The impairment charge is included in the Statement of Financial Activities under unrestricted charitable activities expenditure.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

5. TANGIBLE ASSETS	Computers	Fixtures & fittings	Total
	£	£	£
COST			
At 1 May 2023	75,493	40,389	115,882
Additions	12,657	-	12,657
Disposals	(31,330)	(40,389)	(71,719)
At 30 April 2024	56,820	-	56,820
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT			
At 1 May 2023	68,470	38,384	106,854
Depreciation charge for the year	5,258	840	6,098
Disposals	(31,330)	(39,224)	(70,554)
At 30 April 2024	42,398	-	42,398
NET BOOK VALUE			
At 30 April 2024	14,422	-	14,422
At 30 April 2023	7,023	2,005	9,028

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

6. INVESTMENTS – FIXED ASSETS

	2024	2024	2024	2023
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	3,283,492	17,436,533	20,720,025	465,443
Additions at cost	-	26,093,015	26,093,015	28,197,053
Disposals at market value	-	(26,488,522)	(26,488,522)	(8,382,234)
Net investment gains	1,404,619	14,931	1,419,550	247,991
Movement on cash	118,356	391,413	509,769	191,772
Market value at 30 April	4,806,467	17,447,370	22,253,837	20,720,025
Historical cost at 30 April	3,000,000	17,443,044	20,443,044	20,423,549

Investments are represented by:	2024	2024	2023	2023
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	7,096,542	18,818	14,578,007	7,293
Listed investments	2,059,155	5,116,022	981,293	1,980,959
Other investments	7,882,843	80,457	3,118,000	54,473
Total	17,038,540	5,215,297	18,677,300	2,042,725
		22,253,837		20,720,025

The investments include funds held for a Trust Account which are treated as Restricted Funds and funds held in the Charity's long-term investment portfolio which are split between Unrestricted and Restricted Funds.

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

6. INVESTMENTS – FIXED ASSETS (continued)

	2024	2023
SUBSIDIARY INVESTMENTS		
Investments held at cost	£	£
CT Donations Management Limited	<u>1</u>	<u>1</u>
Value at 30 April	<u>1</u>	<u>1</u>

	2024	2023
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	7,302	39,871
Impairment costs	<u>-</u>	<u>(32,569)</u>
Value at 30 April	<u>7,302</u>	<u>7,302</u>

These are restricted 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 the Charity 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'.

	2024	2023
TOTAL INVESTMENTS – FIXED ASSETS		
	£	£
Financial Investments	22,253,837	20,720,025
Subsidiary Investments	1	1
Social Investments	<u>7,302</u>	<u>7,302</u>
Total	<u>22,261,140</u>	<u>20,727,328</u>

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

7. DEBTORS		2024	2023
		£	£
Amounts receivable in less than one year			
Trade Debtors		83,611	50,672
Other Debtors		27,747	163,144
Prepayments and Accrued Income		975,296	110,660
Total		1,086,654	324,476

The trustees consider the value of trade and other debtors to be fully realisable and not requiring any impairment. The increase in Prepayments and Accrued Income in 2024 relates to accrued interest on bank deposits.

8. INVESTMENTS – CURRENT ASSETS

	2024	2024	2024	2023
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	(3,172)	10,000,000	9,996,828	-
Additions at cost	-	-	-	9,992,067
Disposals at market value	(220,449)	(9,999,551)	(10,220,000)	-
Net investment gains / (losses)	231,790	-	231,790	(3,857)
Movement on cash	(8,169)	(449)	(8,618)	8,618
Market value at 30 April	-	-	-	9,996,828
Historical cost at 30 April	-	-	-	10,000,000

Investments are represented by:	2024	2023
	UK	UK
	£	£
Cash or cash equivalents	- 9,996,828	
Total	- 9,996,828	

These assets are held in the Charity's medium-term investment portfolio and are split between Unrestricted and Restricted Funds. The funds held in this portfolio are classed as medium-term as they are likely to be needed for the Charity's operations within a six to twelve-month period. The funds were withdrawn during the year when the investments matured and placed in bank deposits which were providing a higher return.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Funds held on behalf of Third Parties as Intermediary Charity	138,377	133,611
Taxation and Social Security	49,856	60,203
Trade Creditors	137,779	115,242
Other Creditors	7,165	5,526
Accruals and Deferred Income	414,928	252,013
Total	748,105	566,595

'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	2024	2023
	£	£
At 1 May	90,582	71,543
Amounts released from previous year	(90,582)	(71,543)
Amounts deferred in the current year	75,762	90,582
At 30 April	75,762	90,582

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 2024

10. FINANCIAL INSTRUMENTS

The Charity has the following financial instruments:	2024	2023
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	22,253,837	30,716,853
	22,253,837	30,716,853

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2024	2023
	£	£
At 1 May	36,122	36,122
Provision for property dilapidations	14,000	-
At 30 April	50,122	36,122

The Charity moved office in January 2024. The provision relates to the dilapidation liability on the previous office lease. This has now been settled and will be realised within twelve months. No provision is included for dilapidation costs relating to the new office. This will be reassessed when planned alterations to the office are undertaken.

12. 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.

13. CAPITAL

The Charity is limited by guarantee. The liability of the members is limited to £10 (2023: £10).

The Members of the Charity are, at any one time, the current trustees of the Charity.

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 2024

14. MOVEMENT ON FUNDS

	At 1 May 2023	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2024
	£	£	£	£	£	£
Unrestricted funds	5,720,218	4,128,489	(3,557,251)	611,182	1,636,409	8,539,047
Restricted funds – Lotteries	359,606	46,638	(2,203)	-	-	404,041
Restricted funds - Corporates	54,818,253	44,446,461	(56,324,133)	(6,408,056)	-	36,532,525
Restricted funds – Regular givers	19,851,322	16,940,679	(14,933,639)	(611,182)	14,931	21,262,111
Restricted funds – Charity Fund accounts	8,421,098	10,108,556	(10,096,285)	6,408,056	-	14,841,425
Total funds	89,170,497	75,670,823	(84,913,511)	-	1,651,340	81,579,149

	At 1 May 2022	Income	Expenditure	Transfers	Gains & Losses	At 30 April 2023
	£	£	£	£	£	£
Unrestricted funds	4,870,391	2,821,610	(2,395,757)	154,908	269,066	5,720,218
Restricted funds – Lotteries	322,799	49,001	(12,194)	-	-	359,606
Restricted funds - Corporates	56,920,509	54,141,754	(56,244,010)	-	-	54,818,253
Restricted funds – Regular givers	19,967,436	15,369,401	(15,305,675)	(154,908)	(24,932)	19,851,322
Restricted funds – Charity Fund accounts	5,455,443	7,707,734	(4,742,079)	-	-	8,421,098
Total funds	87,536,578	80,089,500	(78,699,715)	-	244,134	89,170,497

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 2024

14. MOVEMENT ON FUNDS (continued)

As at 30 April 2024 Restricted funds totalled £73,040,102 (as at 30 April 2023: £83,450,279). 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. The Charity 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.

The Charity 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 the Charity 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’, or alternatively form part of the fixed asset investments. 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 relate to a combination of restricted funds and unrestricted funds.

In addition under current liabilities there are liabilities held on behalf of third parties as intermediary charity of £138,377 (2023 : £133,611) 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 £611,182 (2023: £154,908) have been transferred to unrestricted funds for charitable purposes in support of the Charity’s mission.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

14. MOVEMENT ON FUNDS (continued)

The transfer within restricted funds from Corporate funds to Charity Fund accounts relates to the correction of prior year mis-allocation of expenditure.

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 £64,963 (2023: £49,872).

Contributions outstanding at the year end and included in Tax and Social Security were £10,252 (2023: £nil).

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

16. FUNDS HELD AS AGENT

	At 1 May 2023	Income	Expenditure	At 30 April 2024
	£	£	£	£
Funds as Agent	(6,091,807)	(48,554,050)	50,386,623	(4,259,234)
Bank balances held as Agent	6,091,807	48,554,050	(50,386,623)	4,259,234
<hr/>				
	At 1 May 2022	Income	Expenditure	At 30 April 2023
	£	£	£	£
Funds as Agent	(6,164,541)	(46,959,420)	47,032,154	(6,091,807)
Bank balances held as Agent	6,164,541	46,959,420	(47,032,154)	6,091,807

Amounts received by the Charity 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 2024

17. RELATED PARTIES

Sir Michael Bibby, a Director / Trustee of the Charity, 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 £2,375 (2023 - £1,890).

There was £nil trade debtors balance for Bibby Line Group on 30 April 2024 (2023: £360).

18. CAPITAL COMMITMENTS

At 30 April the charity had the following capital commitments:

	2024 £	2023 £
Contracts for future capital expenditure not provided in the financial statements – Software development	312,303	-
	312,303	-

19. OPERATING LEASES

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

	2024 £	2023 £
Not later than one year	62,467	36,764
Later than one year and not later than five years	217,543	3,211
Total gross payments	280,010	39,975
	2024 £	2023 £
Lease payments recognised as an expense	4,282	4,282
Photocopier	48,440	57,000
Premises	52,722	61,282
Total lease payments in the year		

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

20. SUBSIDIARY COMPANY

At 30 April 2024, the Charity held 100% of the ordinary share capital of the following undertakings:

Company name & address	Country of Incorporation	Shareholding (%)	Status
CT Donations Management Limited, 2 nd Floor, Eleanor Rathbone House, Unit 16 Connect Business Village, 24 Derby Road, Liverpool L5 9PR	UK	100	Dormant

The value of the investment at 30 April 2024 is £1 (as at 30 April 2023: £1).

The capital and reserves of the subsidiary at 30 April 2024 are £1 (as at 30 April 2023: £1)

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

21. NOTES TO THE CASH FLOW STATEMENT

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

	2024 £	2023 £
Net movement in funds for the financial year (as per the statement of financial activities)	(7,591,348)	1,633,919
Adjustments for:		
Depreciation charges	6,098	6,438
Amortisation charges	151,486	175,114
Impairment charges	98,988	-
Gains on investments	(1,651,340)	(244,134)
Dividends from investments	(186,588)	(30,077)
Social Investment impairment	-	32,569
Loss on disposal of fixed assets	1,165	
Deduct interest income shown in investment activities	(2,181,692)	(1,226,138)
(Increase) / decrease in debtors	(12,602)	39,913
Increase in creditors	181,510	35,801
Increase in provisions	14,000	-
Net cash (used in) / provided by operating activities	(11,170,323)	423,405

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash at bank and in hand	2,061,081	2,197,962
Bank balances held on behalf of third parties as intermediary charity	35,723,806	56,090,054
Total cash and cash equivalents	37,784,887	58,288,016

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2023 £	Cash-flows £	At 30 April 2024 £
Cash	58,288,016	(20,503,129)	37,784,887
Total	58,288,016	(20,503,129)	37,784,887

CHARITIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2024**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2024	2024	2024	2023	2023	2023
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Intangible Assets	1,230,273	-	1,230,273	377,538	-	377,538
Tangible Assets	14,422	-	14,422	9,028	-	9,028
Investments – Fixed Assets	4,806,467	17,454,673	22,261,140	3,283,492	17,443,836	20,727,328
Current Assets	3,147,735	55,723,806	58,871,541	2,519,266	66,140,054	68,659,320
Creditors: amounts falling due within one year	(609,728)	(138,377)	(748,105)	(432,984)	(133,611)	(566,595)
Provisions for liabilities and charges	(50,122)	-	(50,122)	(36,122)	-	(36,122)
	8,539,047	73,040,102	81,579,149	5,720,218	83,450,279	89,170,497