

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

REPORTS AND FINANCIAL STATEMENTS

30 APRIL 2023

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

TUESDAY



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CHARITIES TRUST
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 APRIL 2023

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CHARITIES TRUST

CHAIR'S FOREWORD

CHAIR'S FOREWORD

This has been a year of political and economic uncertainty. The result has been rising inflation, significant increases in energy prices and a cost-of-living crisis, all of which are contributing to an increased demand for services provided by charities at a time when donors themselves are being squeezed. This was somewhat predicted during the pandemic but society's ability to respond has been hampered.

It is particularly pleasing therefore that our corporate clients have stepped up and donations have increased with a strong focus on the environment, financial resilience, and fuel poverty. It is also significant that Payroll Giving commitments continue to be more than £50 million, providing much needed unrestricted funds with a longer-term commitment for charities across the UK.

Charities Trust has made good progress to continue to ensure that everyone is able to quickly make these donations as easily as possible at the lowest possible cost. We have adopted the latest technical and process improvements and restructured our organisation to focus on our clients and donors, as well as developing new products to better meet their needs. Our digital transformation, whilst a critical part of this process, did not move at the pace we would have liked but this is now back on track. There is a strong team in place and the forthcoming year will see new front end web access to open, maintain and transact on accounts for donors, more efficient and even safer data handling, and multi-location analysis of donations for clients.

With this transformation comes the ability for us to engage better with our existing clients providing innovative and improved ways for them to engage both their employees and their customers. This will mobilise more people to participate at a time when the demand for funds is ever increasing and the engagement of the workforce is crucial.

We have further strengthened our Board with the appointment of Catherine Rustomji, a leading Partner and Head of Charities who has been advising Charities, Social Enterprises and Not for Profit Organisations exclusively for over 20 years in legal matters. Catherine is also Chair of our newly constructed Governance Committee following our full review of Committee Structures.

Charities Trust continues to play a vital role that makes a difference and our investment to support this work remains a priority.

I would again like to take this opportunity to personally thank everyone in this important sector for their tireless efforts and a special thank you to all our donors without which none of this extraordinary 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 2023.

Principal Activities

We are pleased to see Payroll Giving donations processed at £50m for the year (2022: £50m). Equally pleasing is the fact that we achieved donations of £74m (2022: £63m) from all of our other services. Clients continue to be attracted to the wide range of options available through Charities Trust to engage their employees and customers. Those services include:

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

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

During the year the value of donations processed per member of staff was £3.5m (2022: £3.1m).

Key Performance Indicators

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

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Achievements & Performance

Total donations received during the year of £124,183,510 (2022: £112,877,664) represents an increase of 10% over the previous year. We made donations to 16,304 individual charities in the year (2022: 15,275).

During the year we processed 2.6 million individual Payroll Giving donations on behalf of 1,019 active client organisations (2022: 3 million on behalf of 1,106 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 (2022: 99p of every £1).

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

Income in the year includes income from Charitable Activities of £1,573,595 (2022: £1,458,459). These are fees derived from processing all donations referred to above. We have a range of fee structures for different products. The most significant fees generated in the year were:

- Payroll Giving £383,190 (2022: £383,740).

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 £1,231,779 (2022: £535,008). This helps us to keep our administration charges as low as possible.

The charity has engaged Evelyn Partners to provide investment management services and investment portfolios have been established in the year to improve the return on unrestricted reserves and on restricted funds prior to distribution. Unrestricted income and capital gains from these investments came to £285,297 in 2023 (2022: £nil).

The unrestricted income is used to offset the costs of managing and processing donations, which are classified as 'Charitable Activities'. The unrestricted net income for the charity (i.e. its own reserves) increased by £849,827 for the year (2022: Surplus £3,501,033). This included a transfer of £154,908 from restricted funds to unrestricted funds in the year (2022: £3,470,071) in relation to dormant My Giving Account balances. See Note 14 for more details.

Unrestricted funds held in the Balance Sheet were £5,720,218 (2022: £4,870,391).

The net movement in all funds for the year was an increase of £1,633,919 (2022: a decrease of £14,108,762). The net inflow 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 2023 they have acted in a way that is most likely to promote the success of the charity for the benefit of its stakeholders as a whole. This year's strategic planning process undertaken in February 2023 focused on the medium and long-term development of the charity including strengthening its partnership working with the aim of enhancing the delivery of its charitable objectives. A key focus of the day was Charities Trust's Digital Transformation, a significant investment aimed at modernising our technology and improving the user journey for clients and donors. The successful conclusion of this technological development will see the migration of clients to a new platform and the decommissioning of the existing legacy system. The Board recognises the importance of stakeholder engagement and participation in the achievement of these objectives and the forthcoming year will further this engagement as we increase our focus upon the improvement and expansion of our technology.

Employees: A key part of our mission statement is to provide a personal service for our clients, and we recognise that our employees are central to that. It is important to the charity that all employees feel valued and fully engaged in the delivery of our mission. To facilitate this, we undertake regular team and organisational meetings and briefings as well as individual appraisals and feedback sessions. We also completed a full salary benchmarking exercise to ensure that our employees are paid appropriately, and we are committed to being a Real Living Wage Employer.

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

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

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

Any surpluses generated are reinvested in the charity to further this work. In terms of the environment, we are particularly aware of our responsibilities and although our office footprint is small, we engage in a number of recycling schemes to minimise the environmental impact of our work. Business travel is primarily through public transport,

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. Charities Trust supports this via a skilled, experienced, and effective Board of Directors and Senior Management Team. Working with the operational management team, this structure promotes a culture of openness, professionalism, and ethical practice.

While Charities Trust 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. Charities Trust is regulated by the Gambling Commission; it has actively reduced its activities in relation to lotteries and raffles over recent years and this approach will continue.

Business Relationships

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

Financial Review

The total funds held as at the 30 April 2023 were £89,170,497 (2022: £87,536,578). The total restricted funds held were £83,450,279 (2022: £82,666,187). The net asset position has increased from £87,536,578 to £89,170,497 primarily due an increase in investment income as a result of higher interest rates and an increase 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 £5,333,652 (2022: £4,439,856) following positive financial performance in the year, the transfer of £154,908 (2022: £3,470,071) from restricted funds to unrestricted funds and incorporating investment in infrastructure of £137,583 (2022: £123,943). 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 2023 unrestricted liquid reserves of £5,333,652 should be sufficient to meet the organisations requirements.

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

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

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

Where Charities Trust is acting as an intermediate charity and controls the use of these resources prior to their charitable application, the income and costs relating to these funds are recognised in the Statement of Financial Activities 'SOFA' as Restricted funds and in the Balance Sheet as '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

Trust Account investments are managed by a professional investment advisor authorised and regulated by The Financial Conduct Authority. Investments comprise a mixed portfolio of shares, fixed interest stocks, unit trusts and bonds. Most of these investments are UK based investments although some are overseas investments. The investment fund is a discretionary portfolio whose investment aims are balanced with a risk portfolio of 'medium'. The value attributed to these investment funds was £436,533 (see note 6). (2022: £465,443).

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

Two new investment portfolios were established in 2023 under the management of Evelyn Partners, an investment management firm authorised and regulated by The Financial Conduct Authority. The long-term portfolio received an initial cash investment of £20m and 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 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 2023 was £20,283,492 (2022: £nil) (see note 6). The medium-term portfolio received an initial cash investment of £10m and comprises treasury bills and cash and contains restricted funds which are not required over the medium term. 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 value attributed to this portfolio as at the 30 April 2023 was £9,996,828 (2022: £nil) (see note 8).

The charity supports social investors who wish to invest in recognised social investment vehicles. These are treated as Programme Related Investments and impaired in full at the time of transferring funds. In 2023 £32,569 (2022: £34,032) was paid across to the Big Issue Invest Social Enterprise Investment Fund II L.P.

These investments are made with a view to earning a financial return and as a means of providing funding and investment to organisations and social enterprises to further their charitable/social purposes. All of the 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 2023 was £56,140,054 (2022: £82,361,010). 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 2023 £1,231,779 was applied to unrestricted income (2022: £535,008). 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 2023 was £2,197,962 (2022: £4,436,604).

d. Grant Making

A database of recipient charities is maintained and continuously developed by Charities Trust. New charities are added to the database when requested by donors. A charity vetting process is undertaken when adding new charities which varies depending on the value of charitable donation being made and on whether the charity is UK based or

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Financial Review (continued)

overseas. When a donation cannot be made to the intended beneficiary an alternative instruction is sought from the donor. When an alternative instruction cannot be sourced from the donor the Trustees use their discretion to donate to a charity of similar purpose to that of the original intended beneficiary.

Plans for Future Periods

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

Principal Risks and Uncertainties

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

Charities Trust's Strategic Risk Management Framework includes:

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

a. Financial Risks

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

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

Some of our medium and long-term funds are held in professionally managed investment portfolios. These help to mitigate interest rate risk while providing liquidity for the charity's operations.

CHARITIES TRUST

STRATEGIC REPORT OF THE BOARD (Continued)

Principal Risks and Uncertainties (continued)

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 long-term 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.

b. Non-financial Risks

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

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

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

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

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

ON BEHALF OF THE BOARD

C. Rustomji

C Rustomji (Trustee)

Date: 18 October 2023

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 2023.

Reference and Administrative Details

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

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

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

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

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

- Sir M J Bibby, Bt., DL (Chair)
- LJ Thomas
- MJ Blakeman
- LA Blackburn
- P Fietje
- IC Povey
- CE Rustonji (Appointed 6th October 2022)

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 Browne Jacobsen, 14th Floor, No.1 Spinningfields, 1 Hardman Square, Spinningfields, Manchester M3 3EB.

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

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Structure, Governance and Management

Charities Trust is a company limited by guarantee and does not have a share capital. The Memorandum and Articles of Association dated 24 June 1987, last updated 5 December 2006 are its governing document.

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

Charities Trust recognises that an effective Board is essential for the successful achievement of its objectives. The Board seeks to be representative of the people with whom the organisation works and must ensure that it has available to it the necessary skills and knowledge and resource to enable it to carry out its role. In line with the commitment given last year, the Chair and Chief Executive recommended to Board for its approval, the appointment of Catherine Rustonji to the Board. Catherine's skills and expertise as a Partner and Head of Charities at a legal firm further strengthens the Board Team. In addition, Catherine's extensive experience of advising on Governance meant that her appointment to the Board in October 2022 also included the role of Chair of the Governance Committee, the establishment of which was approved by Board in April 2022.

The first meeting of the Governance Committee was held in March 2023 to enable it to define its Terms of Reference for approval by Board in April. The Committee's Terms of Reference demonstrate that its focus has been recalibrated and extended from the Finance and Audit Committee's original remit. This now includes governance arrangements generally and 'information governance' to include Data Protection, Data Privacy, and Information Security monitoring specifically, in addition to close monitoring of risks and finance.

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

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

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

The Governance Committee is reviewing the governance arrangements in place, in full, to include induction and training to ensure that any Trustee training requirements are met with a programme that is flexible and recognises different learning styles and preferences.

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Organisational structure and decision making

The Board executes its governance and strategy through the Chief Executive. 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 decision.

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

The Board, supported by the 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;

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Objectives and Activities (continued)

- to act as an agent for the purposes of Section 713 of the Income Tax (Earnings & Pensions) Act 2003 or any re-enactment thereof and to require and accept fees for so acting; and
- to act as a payroll giving agency in order to receive donations for application to such charity or charities as the donor may specify and if for any reason it becomes impossible for the Charity to pay any such donation to a charity specified by a donor the Charity shall, so far as is permitted by law, pay that amount to such other charity or charities as it may consider has objects similar to those of the charity specified by the donor.

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

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

Charities Trust's Mission

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

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

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

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

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Public Benefit

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

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

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

Strategic Report

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

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;

CHARITIES TRUST

REPORT OF THE BOARD (Continued)

Statement of Trustees' Responsibilities (continued)

- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of Information to Auditors

In so far as the trustees are aware:

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

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

ON BEHALF OF THE BOARD

C. Rustomji

C Rustomji (Trustee)

Date: 18 October 2023

**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 2023 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 2023 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 October 2023

CHARITIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 APRIL 2023 (including Summary Income and Expenditure Account)

	Note	Year to 30 April 2023 £	Year to 30 April 2023 £	Year to 30 April 2023 £	Year to 30 April 2022 £
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
INCOME FROM:					
Charitable activities	1	1,573,595	-	1,573,595	1,458,459
Investments	1	1,248,010	43,800	1,291,810	639,097
Donations received	1	5	77,224,090	77,224,095	63,932,029
TOTAL INCOME		2,821,610	77,267,890	80,089,500	66,029,585
EXPENDITURE ON:					
Charitable activities	2	(2,390,780)	-	(2,390,780)	(2,079,847)
Raising Funds	2	(4,977)	(5,185)	(10,162)	(4,231)
Social Investment	2	-	(32,569)	(32,569)	(34,032)
Impairment					
Donations paid to Charities	2	-	(76,266,204)	(76,266,204)	(78,005,521)
TOTAL EXPENDITURE		(2,395,757)	(76,303,958)	(78,699,715)	(80,123,631)
Net gains / (losses) on investments	6&8	269,066	(24,932)	244,134	(14,716)
NET INCOME / (EXPENDITURE)		694,919	939,000	1,633,919	(14,108,762)
Transfers between funds	14	154,908	(154,908)	-	-
NET MOVEMENT IN FUNDS		849,827	784,092	1,633,919	(14,108,762)
RECONCILIATION OF FUNDS:					
Total fund brought forward	14	4,870,391	82,666,187	87,536,578	101,645,340
TOTAL FUNDS CARRIED FORWARD		5,720,218	83,450,279	89,170,497	87,536,578

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 25 to 48 form part of these financial statements.

CHARITIES TRUST

BALANCE SHEET AS AT 30 APRIL 2023

COMPANY REGISTRATION NUMBER 2142757

	Note	2023 £	2022 £
<u>FIXED ASSETS</u>			
Intangible assets	4	377,538	420,885
Tangible assets	5	9,028	9,650
Investments	6	20,727,328	505,315
TOTAL FIXED ASSETS		21,113,894	935,850
<u>CURRENT ASSETS</u>			
Debtors	7	324,476	370,030
Investments	8	9,996,828	-
Cash at bank and in hand		2,197,962	4,436,604
Bank balances held on behalf of third parties as intermediary charity		56,090,054	57,311,010
Money market, investments and bank balances held on behalf of third parties as intermediary charity		50,000	25,050,000
TOTAL CURRENT ASSETS		68,659,320	87,167,644
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	9	(566,595)	(530,794)
<u>NET CURRENT ASSETS</u>		68,092,725	86,636,850
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		89,206,619	87,572,700
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	11	(36,122)	(36,122)
<u>NET ASSETS</u>		89,170,497	87,536,578
<u>THE FUNDS OF THE CHARITY</u>			
Restricted income funds	14	83,450,279	82,666,187
Unrestricted income funds	14	5,720,218	4,870,391
<u>TOTAL CHARITY FUNDS</u>		89,170,497	87,536,578

The accounting policies and notes on pages 25 to 48 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 12th October 2023 and were signed on its behalf on 18th October 2023.

C. Rustomji

**C RUSTOMJI
TRUSTEE**

M J Blakeman

**M Blakeman
TRUSTEE**

CHARITIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2023

	Note	2023 £	2022 £
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net Cash provided by / (used in) operating activities	20	423,405	(14,451,266)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest income	1	1,231,779	535,008
Dividends from investments		30,077	11,535
Purchase of tangible and intangible fixed assets	4&5	(137,583)	(123,943)
Proceeds from sale of investments	6&8	8,382,234	54,660
Purchase of investments	6&8	(38,189,120)	(26,345)
(Increase) / decrease in investment portfolio cash	6&8	(200,390)	10,301
Net withdrawals from the money market		25,000,000	9,950,000
Net cash (used in) / provided by investing activities		(3,883,003)	10,411,216
(Decrease) in cash and cash equivalents in the financial year		(3,459,598)	(4,040,050)
Cash and cash equivalents at the beginning of the financial year		61,747,614	65,787,664
Cash and cash equivalents at the end of the financial year	20	58,288,016	61,747,614

The accounting policies and notes on pages 25 to 48 form part of these financial statements.

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

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

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

BASIS OF PREPARATION

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

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

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

GOING CONCERN

There are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have prepared income and expenditure and cash flow forecasts for the years ended 30 April 2024 and 30 April 2025 which show operating surpluses. The charity had unrestricted funds of £5.7m held as cash and investments as at 30 April 2023 and this is deemed sufficient to fund working capital requirements, capital development plans and any unexpected expenditure or loss of income.

CONSOLIDATION

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

FUND ACCOUNTING

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

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

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

FUND ACCOUNTING (continued)

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

INCOME FROM CHARITABLE ACTIVITIES

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

INCOME FROM INVESTMENTS

Investment income on cash deposits, 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 Charities Trust which are freely given and are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

CHARITIES TRUST

STATEMENT OF ACCOUNTING POLICIES (continued)

EXPENDITURE ON CHARITABLE ACTIVITIES

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

EXPENDITURE ON RAISING FUNDS

This covers investment management fees on the Donor Advised Fund Account 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 company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

SOCIAL INVESTMENTS

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

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 Companies presentational and functional currency is the Pound Sterling.

FINANCIAL INSTRUMENTS

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

Financial Assets:

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

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

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

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 Charity Trust's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £83.5m (2022: £82.7m), are held by Charities Trust pending instruction for onward distribution to third party charities. The Trustees consider that the following factors indicate that these funds are more appropriately classified as restricted funds:

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

The only other judgements and estimates included within the financial statements relate to depreciation 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. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

1. INCOME FROM

	Year to 30 April 2023	Year to 30 April 2022
CHARITABLE ACTIVITIES (UNRESTRICTED)	£	£
Payroll giving fees	383,190	383,740
Christmas appeals and other campaigns	131,634	108,149
Corporate charity account fees	629,305	497,062
Fundraising Fees	107,322	158,670
Corporate foundation fees	127,981	73,372
Other fees received	194,163	237,466
Total	1,573,595	1,458,459

	Year to 30 April 2023	Year to 30 April 2022
INVESTMENTS	£	£
Interest income received on cash deposits:		
Unrestricted funds	1,231,779	535,008
Dividend and Interest income received on investments:		
Unrestricted funds	16,231	-
Restricted funds	43,800	104,089
Total	1,291,810	639,097

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

	Year to 30 April 2023	Year to 30 April 2022
DONATIONS RECEIVED (RESTRICTED)	£	£
Donations received from:		
Lotteries	49,001	164,907
Corporates	54,141,754	46,557,989
Regular givers	15,325,601	14,652,754
Charity Fund Accounts	7,707,734	2,439,037
Total	77,224,090	63,814,687

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. EXPENDITURE ON

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2023 £	Year to 30 April 2022 £
Payroll giving donations processed	1,080,154	895,747
Christmas appeals and other campaigns	334,859	288,353
Other donations processed (incl. Lotteries)	975,767	895,747
Total	2,390,780	2,079,847

CHARITABLE ACTIVITIES (UNRESTRICTED)	Year to 30 April 2023 £	Year to 30 April 2022 £
Staff costs (see note 3)	1,382,080	1,263,630
Information Technology and Communications	337,100	326,784
Other administration costs	328,883	227,274
Depreciation	6,438	7,107
Amortisation	175,114	156,405
Grants in furtherance of the Charity's activities	100,449	53,373
Governance Costs	60,716	45,274
Total	2,390,780	2,079,847

Unrestricted expenditure on Charitable Activities includes £49,000 for the audit of the financial statements (2022: £42,288).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. EXPENDITURE ON (Continued)

CHARITABLE ACTIVITIES (RESTRICTED)	Year to 30 April 2023	Year to 30 April 2022
	£	£
RAISING FUNDS (UNRESTRICTED)		
Fee on unrestricted investment portfolio	<u>4,977</u>	<u>-</u>
Total	<u>4,977</u>	<u>-</u>
RAISING FUNDS (RESTRICTED)	£	£
Fee on restricted investment portfolio	<u>5,185</u>	<u>4,231</u>
Total	<u>5,185</u>	<u>4,231</u>
DONATIONS PAID TO CHARITIES (RESTRICTED)	Year to 30 April 2023	Year to 30 April 2022
	£	£
Donations paid to third party charities from:		
Lotteries	12,194	223,011
Corporates	56,244,010	51,831,685
Regular givers	15,267,921	13,248,061
Charity Fund Accounts	<u>4,742,079</u>	<u>12,702,764</u>
Total	<u>76,266,204</u>	<u>78,005,521</u>
SOCIAL INVESTMENT IMPAIRMENT (RESTRICTED)	Year to 30 April 2023 £	Year to 30 April 2022 £
Regular givers	<u>32,569</u>	<u>34,032</u>
Total	<u>32,569</u>	<u>34,032</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

3. EMPLOYEES AND TRUSTEES	Year to 30 April 2023 £	Year to 30 April 2022 £
Wages and Salaries	1,216,578	1,116,398
Social Security Costs	115,630	99,413
Other Pension Costs (see note 15)	49,872	47,819
Total costs	1,382,080	1,263,630
Monthly average No. of employees	No	No
Full time	33	33
Part time	3	5
Total No of employees	36	38
Full time equivalent	35	36

The remuneration described above includes all payments to employees.

Wages and Salaries includes a holiday accrual of £26,296 (2022: £29,508)

Number of employees receiving remuneration of above £60,000

	Year to 30 April 2023 No.	Year to 30 April 2022 No.
£60,001 to £70,000	1	2
£70,001 to £80,000	1	-
£150,001 to £160,000	1	1

The key management roles of the charity comprise the trustees, the Chief Executive Officer, Chief Governance Officer, Chief Operating Officer and the Head of Finance. The total employment benefits of the key management roles of the charity were £411,346 (2022: £324,403).

Total pension contributions for members of staff earning in excess of £60,000 was £11,679 (2021: £11,211).

During the year, none of the Trustees received emoluments in respect of their services to the company (2022: none)

The sum of £348 was paid to two Trustees to cover travel and accommodation expenses (2022: £0).

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

4. INTANGIBLE ASSETS

	Software Costs £	Total £
COST		
At 1 May 2022	1,509,009	1,509,009
Additions	131,767	131,767
Disposals	(26,027)	(26,027)
At 30 April 2023	1,614,749	1,614,749
AMORTISATION		
At 1 May 2022	1,088,124	1,088,124
Charge for the year	175,114	175,114
Disposals	(26,027)	(26,027)
At 30 April 2023	1,237,211	1,237,211
NET BOOK VALUE		
At 30 April 2023	377,538	377,538
At 30 April 2022	420,885	420,885

5. TANGIBLE ASSETS

	Computers £	Fixtures & fittings £	Total £
COST			
At 1 May 2022	88,716	40,389	129,105
Additions	5,816	-	5,816
Disposals	(19,039)	-	(19,039)
At 30 April 2023	75,493	40,389	115,882
ACCUMULATED DEPRECIATION & LOSS ON IMPAIRMENT			
At 1 May 2022	82,340	37,115	119,455
Depreciation charge for the year	5,169	1,269	6,438
Disposals	(19,039)	-	(19,039)
At 30 April 2023	68,470	38,384	106,854
NET BOOK VALUE			
At 30 April 2023	7,023	2,005	9,028
At 30 April 2022	6,376	3,274	9,650

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

6. INVESTMENTS – FIXED ASSETS

	2023	2023	2023	2022
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	-	465,443	465,443	518,775
Additions at cost	3,000,000	25,197,053	28,197,053	26,345
Disposals at market value	-	(8,382,234)	(8,382,234)	(54,660)
Net investment gains / (losses)	272,923	(24,932)	247,991	(14,716)
Movement on cash	10,569	181,203	191,772	(10,301)
Market value at 30 April	3,283,492	17,436,533	20,720,025	465,443
Historical cost at 30 April	3,000,000	17,423,549	20,423,549	324,460

Investments are represented by:	2023	2023	2022	2022
	UK	Overseas	UK	Overseas
	£	£	£	£
Cash or cash equivalents	14,578,007	7,293	471	504
Listed investments	981,293	1,980,959	227,886	141,594
Other investments	3,118,000	54,473	44,810	50,178
Total	18,677,300	2,042,725	273,167	192,276
		20,720,025		465,443

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 2023

6. INVESTMENTS – FIXED ASSETS (continued)

	2023	2022
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>

	2023	2022
SOCIAL INVESTMENTS		
Investments held at cost	£	£
Investment value at 1 May	39,871	73,903
Additions at cost	-	-
Impairment costs	<u>(32,569)</u>	<u>(34,032)</u>
Value at 30 April	<u>7,302</u>	<u>39,871</u>

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

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

	2023	2022
TOTAL INVESTMENTS – FIXED ASSETS		
	£	£
Financial Investments	20,720,025	465,443
Subsidiary Investments	1	1
Social Investments	<u>7,302</u>	<u>39,871</u>
Total	<u>20,727,328</u>	<u>505,315</u>

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

7. DEBTORS	2023	2022
	£	£
Amounts receivable in less than one year		
Trade Debtors	50,672	73,578
Other Debtors	163,144	195,037
Prepayments and Accrued Income	110,660	101,415
Total	324,476	370,030

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

8. INVESTMENTS – CURRENT ASSETS

	2023	2023	2023	2022
FINANCIAL INVESTMENTS				
Investments held at market value	£	£	£	£
	Unrestricted	Restricted	Total	Total
Market value at 1 May	-	-	-	-
Additions at cost	-	9,992,067	9,992,067	-
Disposals at market value	-	-	-	-
Net investment (losses)	(3,857)	-	(3,857)	-
Movement on cash	685	7,933	8,618	-
Market value at 30 April	(3,172)	10,000,000	9,996,828	-
Historical cost at 30 April	-	10,000,000	10,000,000	-

Investments are represented by:	2023	2022
	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.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Funds held on behalf of Third Parties as Intermediary Charity	133,611	200,138
Taxation and Social Security	60,203	60,526
Trade Creditors	115,242	31,865
Other Creditors	5,526	5,351
Accruals and Deferred Income	252,013	232,914
Total	566,595	530,794

'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' and current asset investments.

Movements in deferred income	2023 £	2022 £
At 1 May	71,543	55,267
Amounts released from previous year	(71,543)	(55,267)
Amounts deferred in the current year	90,582	71,543
At 30 April	90,582	71,543

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 2023

10. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:	2023	2022
	£	£
Financial assets measured at fair value through profit or loss		
Financial investments	30,716,853	465,443
	30,716,853	465,443
Financial assets that are debt instruments measured at amortised cost		
Trade receivables	50,672	73,578
Other receivables	163,144	195,037
Investment in short term deposits	56,140,054	82,361,010
	56,353,870	82,629,625
Financial assets that are equity instruments measured at cost less impairment		
Subsidiary Investments	1	1
Social Investments	7,302	39,871
	7,303	39,872
Financial liabilities measured at amortised cost		
Trade Creditors	115,242	31,865
Other Creditors	451,353	498,929
	566,595	530,794

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2023 £	2022 £
At 1 May	36,122	36,122
Provision for property dilapidations	-	-
At 30 April	<u>36,122</u>	<u>36,122</u>

The charity holds a lease over their premises until 20th November 2023. The provision relates to the estimated dilapidation costs at the expiry of the lease. Office lease renewal options are currently being explored.

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 (2022: £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 2023

14. MOVEMENT ON FUNDS

	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

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

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 2023

14. MOVEMENT ON FUNDS (continued)

As at 30 April 2023 Restricted funds totalled £83,450,279 (as at 30 April 2022: £82,666,187). The movement on funds in the year and thus the carrying amounts can change significantly year on year depending upon the timing of instructions from donors as to their charitable application.

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

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

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

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

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

All monies held for Restricted funds are identified in the balance sheet as 'Money market, investments and bank balances held on behalf of third parties as intermediary charity', or alternatively form part of the fixed asset and current 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 £133,611 (2022 : £200,138) 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 £154,908 (2022: £3,470,471) have been transferred to unrestricted funds for charitable purposes in support of Charities Trust's mission.

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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 £49,872 (2022: £47,819).

Contributions outstanding at the year end and included in Tax and Social Security were £nil (2022: £nil).

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

16. FUNDS HELD AS AGENT

	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

	At 1 May 2021	Income	Expenditure	At 30 April 2022
	£	£	£	£
Funds as Agent	(6,365,529)	(48,945,635)	49,146,623	(6,164,541)
Bank balances held as Agent	6,365,529	48,945,635	(49,146,623)	6,164,541

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

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

17. RELATED PARTIES

Sir Michael Bibby, a Director / Trustee of Charities Trust, is also the Chair of and a shareholder in Bibby Line Group. Bibby Line Group is a customer of Charities Trust and during the year purchased services to the value of £1,890 (2022 - £1,236).

There was £360 trade debtors balance for Bibby Line Group on 30 April 2023 (2022: £360).

18. OPERATING LEASES

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

	2023 £	2022 £
Not later than one year	36,764	57,579
Later than one year and not later than five years	3,211	32,482
Later than five years	-	-
Total gross payments	<u>39,975</u>	<u>90,061</u>

	2023 £	2022 £
Lease payments recognised as an expense		
Photocopier	4,282	3,840
Premises	57,000	57,000
Total lease payments in the year	<u>61,282</u>	<u>60,840</u>

19. SUBSIDIARY COMPANY

At 30 April 2023, the Company held 100% of the ordinary share capital of the following undertakings:

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

The value of the investment at 30 April 2023 is £1 (as at 30 April 2022: £1).
The capital and reserves of the subsidiary at 30 April 2023 are £1 (as at 30 April 2022: £1)

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

20. NOTES TO THE CASH FLOW STATEMENT

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

	2023 £	2022 £
Net movement in funds for the financial year (as per the statement of financial activities)	1,633,919	(14,108,762)
Adjustments for:		
Depreciation charges	6,438	7,107
Amortisation charges	175,114	156,405
(Gains) / losses on investments	(244,134)	14,716
Dividends from investments	(30,077)	(11,535)
Social Investment impairment	32,569	34,032
Deduct interest income shown in investment activities	(1,226,138)	(535,008)
Decrease in debtors	39,913	70,166
Increase / (decrease) in creditors	35,801	(78,387)
Net cash provided by operating activities	423,405	(14,451,266)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	2,197,962	4,436,604
Bank balances held on behalf of third parties as intermediary charity	56,090,054	57,311,010
Total cash and cash equivalents	58,288,016	61,747,614

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2022 £	Cash-flows £	At 30 April 2023 £
Cash	61,747,614	(3,459,598)	58,288,016
Total	61,747,614	(3,459,598)	58,288,016

CHARITIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Unrestricted £	2022 Restricted £	2022 Total £
Intangible Assets	377,538	-	377,538	420,885	-	420,885
Tangible Assets	9,028	-	9,028	9,650	-	9,650
Investments – Fixed Assets	3,283,492	17,443,836	20,727,328	-	505,315	505,315
Current Assets	2,519,266	66,140,054	68,659,320	4,806,634	82,361,010	87,167,644
Creditors: amounts falling due within one year	(432,984)	(133,611)	(566,595)	(330,656)	(200,138)	(530,794)
Provisions for liabilities and charges	(36,122)	-	(36,122)	(36,122)	-	(36,122)
	<u>5,720,218</u>	<u>83,450,279</u>	<u>89,170,497</u>	<u>4,870,391</u>	<u>82,666,187</u>	<u>87,536,578</u>